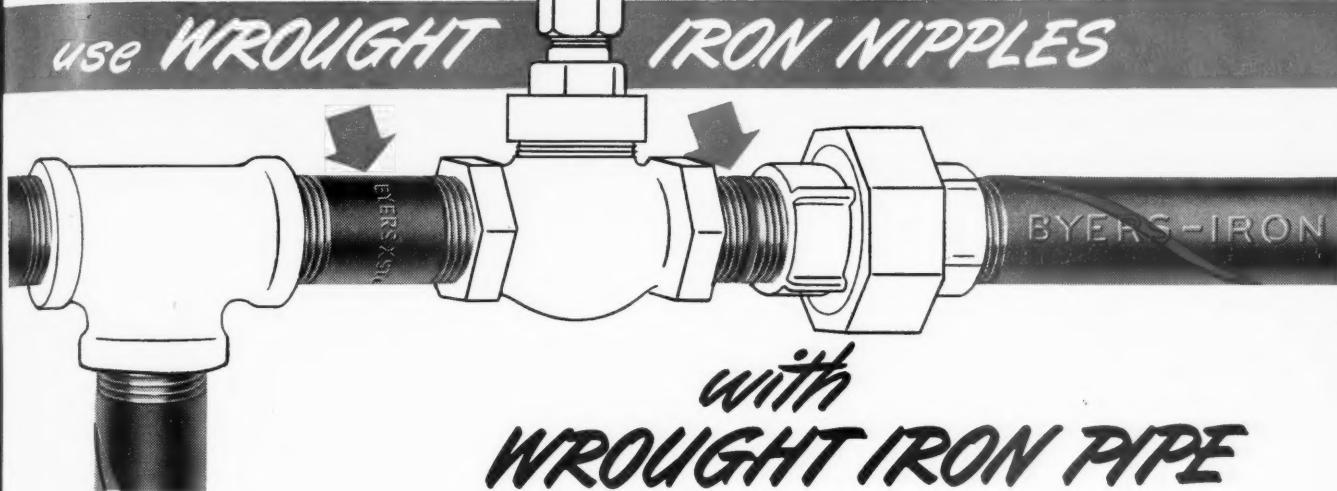


July 17, 1948

Avoid "Weak Links" in your piping systems—

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When you specify wrought iron pipe to lick some corrosion problem, assure 100% protection by specifying that the pipe nipples also must be wrought iron. Neglect of this simple precaution will leave weak spots in your lines, and set the stage for maintenance headaches.

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Byers Wrought Iron nipples, both standard weight and extra strong, are available in a wide range of sizes and lengths, either black or galvanized. They are manufactured from new, tested, full-weight wrought iron pipe in accordance with the standards established in the specifications of leading technical organizations. All nipples are

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Wrought iron nipples are also available from a number of manu-

facturers. The identification used on such nipples may be learned by consulting the supplier.

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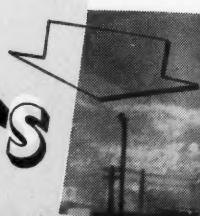
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WEEK AT A GLANCE

DONE THE HARD WAY: Yielding at last to the inevitable, the three chieftans of the holdout ops last week called off their threatened strike and accepted the same wage increase they could have had months ago. The terms of settlement are summarized in the article on page 34. While these gentlemen's reputations as perspicacious leaders and public-spirited citizens have not been signally enhanced in these proceedings, they have nevertheless, in all probability, done railroad labor and the railroad industry, as well as the long-suffering public, a lasting, if unintended, service. It should be fairly evident now, even to obtuse union bosses and subservient politicians, that general railroad strikes *can* be prevented, and that acceptable settlements of wage disputes can be arrived at by negotiation or arbitration without recourse to buccaneer tactics. A victory has been won for orderly processes of law.

SMEAR TECHNIQUE: Back in the time of Columbus there was in Europe a highly organized establishment for the punishment of people at the whim of those who controlled its machinery. That punishment was sometimes mental, more frequently physical. Civilization has advanced since then; the organization has been destroyed; and the physical punishments which it decreed no longer are tolerated. There are more "refined" means of punishment available now. Newspapers and magazines of nationwide circulation and the radio that reaches into practically every home are accessible to publicity-seeking politicians and character assassins for the dissemination of wild insinuations and unsupported charges, cruelly conceived to damage the reputations of defenseless citizens. Our news columns this week report recent goings-on in Washington in which respected railroad officers were offhandedly accused of worming their way into responsible Army posts during the war in order to "gouge" the government for the railroads' benefit. The forum for these activities was provided by a Congress which has not itself been free of proven scoundrels whom the courts have sent to jail. The charges can be conclusively denied—they have been, already, by A.A.R. President Faricy—but irreparable damage is done when the aspersions are widely publicized in advance of their refutation.

RIVETS RELEGATED: At Huntington, W. Va., A.C.F. is using assembly-line methods for the production of welded hopper cars. The procedures are described in one of our illustrated articles.

THE IMPORTANCE OF PROFITS: There are thoughtful people who are not too optimistic about the future. Technological advances have developed faster than have civilization's abilities to use its new implements constructively. Many clouds are discernible from the high pinnacle of political and economic development America has reached—among them threats of war, of loss of freedom, of economic collapse. In this country and elsewhere there are people who predict—and some who hope for—a breakdown of the American economic system of private enterprise. The al-

ternative to that system appears to be some form of the communism that already has so much of the world in its despotic clutches. But the imminently serious danger to private enterprise, our leading editorial points out, is not communism itself, but the burden of policies which their proponents say are necessary to protect us from communism. These burdens are resulting in a depletion of business profits (the railroads' included) of such magnitude that the capacity of private enterprise to support itself and expand is in grave and growing jeopardy.

DANGER ON THE HOME FRONT: A British scholar once thoughtfully remarked that "the State rests ultimately upon a way of thinking." If those who should be zealous champions of private enterprise think in terms of communism (even though they do not believe in it), they foster the spread of the institutions of communism throughout our civic and economic fabric. In espousing practices that erode profits they think communism, and so defeat their stated purpose of protecting us from it. But it is not too late—yet—to think in terms of profit-supported private enterprise.

FIVE TUNNELS: Line-betterment projects, undertaken to improve operating conditions, and track relocations at government-built dams have required railroads to become more active in tunnel construction than they have been for a long time. An illustrated article this week (page 36) describes such work completed or under way on five roads.

ANOTHER RADIO APPLICATION: Use of radio in the simultaneous transmission of telephone, telegraph and teletype communications has worked out successfully in experiments undertaken by the Southern Pacific. The arrangements are described in the illustrated article on page 42.

CHANCES FOR SURVIVAL: Railroad managements, their employees, their customers, the government agencies that set their rates and support their competitors' operations—all have their responsibilities to discharge if privately operated railroads are to continue to function efficiently and develop adequately. These ideas were developed by Judge Fletcher in a recent address, abstracted in this issue.

RAIL-BARGE RATES: The Interstate Commerce Commission has approved rail-barge joint rates lower than competitive all-rail rates in a decision which in general upholds the claims of the Federal Barge Lines for preferential treatment despite the railroads' argument that there are no cost-of-service advantages to the use of the joint service that would justify rate differentials. The commission's findings are outlined in our news pages.



ANY freight car — of any railroad — anywhere in the United States — can be coupled up with any other freight car.

This simple fact makes it possible to combine in a single freight train many cars loaded at many different points, moving toward many different destinations.

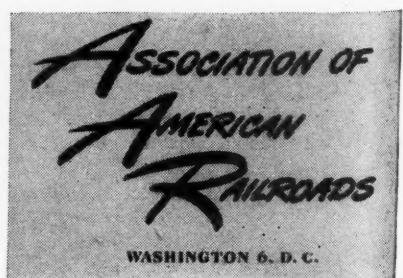
This in turn makes possible the low-cost continent-wide mass transportation system which only railroads provide. And on mass transportation depends the mass production which our nation must have to keep itself well fed, well clothed,

well housed — sound and strong.

These rugged railroad couplers, whose "universal grip" often holds together more than 5,000 tons of loaded freight cars, are the product of never-ending research and tests. Begun sixty years ago by the Master Car Builders, this work is now carried on by the railroads through the Association of American Railroads, the mutual agency for the betterment of *all* railroading.

This is just one example of how railroads, which compete with one another for business, also work together to improve such interchange-

able parts as wheels, axles, trucks, brakes, draft gear, and safety devices. Such cooperation between railroads helps provide America with the most economical, the most efficient, and the safest mass transportation system in the world.



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BREAKING DOWN PRIVATE ENTERPRISE TO "CONTAIN COMMUNISM"

As we enter the national political campaign of 1948 the most important problem with which the people of this country are confronted is that of maintaining the economic system of the United States in full strength and vigor. The principal threat to this system is not communism, but the belief of so many people that to protect our country and the world from communism we must impose back-breaking burdens upon American private enterprise.

Ever since the war the communists have been predicting confidently and hopefully that there would soon be an economic collapse in the United States followed by a great depression. They recognize the fact, which seems to be recognized by few people in this country, that the principal bulwark against the further spread of communism in the world is the American economic system of private enterprise. This bulwark is as yet in no serious danger of being broken down by communism. It is in serious danger of being broken down by those who believe that, in order to help "contain communism," American private enterprise must be subjected to burdens never yet borne by the economic system of any nation in time of peace.

The most effective promoters of communism are not the propagandists for communism. They are the many people who don't believe in communism,

but who don't really believe in private enterprise, either, or at least don't know what is necessary to make it work, and who are promoting policies tending to overburden and undermine private enterprise on the claim that these policies are necessary to help "contain communism." The railways are among the industries that are suffering most and are most threatened by these policies.

War-Earned Surplus Won't Last

The policies to which we refer are of various kinds, but all have one tendency—viz., by unduly restricting profits, to render it impossible for private enterprise adequately to finance the improvement and expansion of its plant. Nobody has ever claimed that the railroads had excessive profits in the decade 1921 to 1930 when they made the investment in improvements and expansion that enabled them to serve so well during World War II. No informed person would question that, after a decade of depression and four years of war, they need to invest much more in the decade 1945-1955 than they did in the decade 1921-1930. Because since the war the dollar has become worth only half as much as during the Twenties, they need to earn many more dollars than during the former postwar period in order to make adequate invest-

ment. And yet in the three postwar years ending with March, 1948, the net operating income derived by the railways from the largest peacetime traffic in all history averaged only about \$700 million a year as compared with the annual average of \$1,017 million earned by them in the decade ending with 1930. The large capital expenditures of the railways since the war have been made largely from funds accumulated by withholding dividends from their stockholders during the war. These large capital outlays cannot long be continued without a great increase in net operating income.

Other industries have made relatively much larger postwar profits than the railways, but few have made enough to do the huge amount of financing of improvements and expansion required adequately to reduce costs, increase the productivity of labor and expand plant.

The representations of the magnitude of postwar profits which have emanated from labor leaders and other socialistically minded persons have ignored the fact that the purchasing power of every dollar of profits earned by business has declined as much as the purchasing power of every dollar of wages received by labor. This decline in the purchasing power of profits has made it essential for the railroads and other industries to earn approximately twice as many dollars of profit as in the prewar period to provide for investments that will effect improvements and expansion physically equivalent to those of the prewar period.

How to Start Depressions

If and when the collapse of the American economic system begins, which according to the most recent prediction from Moscow will be in 1949, it will be started by a decline of capital expenditures due to inability of private industry to raise and invest enough capital, which will be due principally to its inability to earn enough profits. The New Deal theory that depressions are started by declines of consumer purchasing power and purchases is completely refuted by the history of industrial depressions. This history shows that investment by business usually has begun to decline before consumer buying. Decline of investment by business causes reduction of employment in the durable goods industries and reduction of consumer buying is started by this decline of employment. Those who desire to know whether at any time the prevailing trend is toward increase, maintenance or decline of employment and production will follow closely the trend of investment. As long as total investment is increasing or being maintained the danger of depression is remote. When total investment has begun seriously to decline the danger of depression is imminent.

As the principal danger to our private enterprise economic system is that it will become un-

able to raise enough capital, and as the principal threat to its ability to raise enough capital consists of policies tending to prevent it from earning adequate profits, it is well to consider what are the principal policies now threatening profits and the supply of new capital. They are:

(1) Use of the *monopolistic power* of labor unions to force up wages unduly, and restrict the productivity of labor. Most leaders and members of labor unions believe they are opposed to communism, but are oblivious of the fact that their policies, by narrowing the margin of profit in business, are undermining private enterprise and thereby promoting communism.

(2) Excessive taxation of the net earnings of business and of large incomes to provide government revenues for excessive government expenditures. Regardless of the purposes of taxation and government expenditures they are *excessive* if so large that they do not leave business with enough net earnings and individuals having large incomes with enough of their incomes to enable them to finance adequate investment in the improvement and expansion of the plant of business. After President Truman sent Congress his \$40 billion budget in 1947, the Senate voted that it ought to be reduced \$4½ billion and the House that it ought to be reduced \$6 billion. Now, principally because of pressure for European relief and national defense, but also because of wanton extravagance in other directions, Congress has voted measures which, according to Senator Byrd, would cost \$44 billion, \$47.5 billion and \$50 billion during the next three fiscal years—i.e., from \$10 to \$16 billion a year more than Congress in 1947 voted should be spent. These expenditures, if made, mean endangering of our economic system by either (a) highly inflationary government deficits or (b) increased taxation which will take funds that the needs of our economic system demand shall be invested in means of production and transportation.

Government-Promoted Communism

(3) Use of a substantial part of the excessive expenditures of government to subsidize competition with private enterprise. Sometimes this subsidized competition is carried on by government itself, as in the cases of the Tennessee Valley Authority, the Mississippi-Ohio barge line and government-owned housing. Sometimes it is carried on by private companies, as by privately owned carriers by water, highway and air. The tendency of either direct government competition or private competition subsidized by government to burden and undermine the country's private enterprise economic system and thereby promote communism should be plain enough to all excepting the beneficiaries of the subsidies. Whatever their professed principles, there seem to be almost no people who

can see anything wrong in a subsidy that *they* receive.

The present state of public opinion regarding government policies recalls the state of public opinion 15 years ago, in 1933. The New Dealers were then promoting policies which, measured by every political or economic principle previously accepted in this country, were unsound. But few had the intelligence or courage to say so. *Railway Age* is glad the record shows it was one of the first publications of any kind to attack the principal New Deal policies upon the ground that they would not promote recovery but were perfectly calculated to prevent it. Anybody who then criticized the New Deal policies was sure to be attacked as a "reactionary." Anybody who criticizes the policies now being adopted to "contain communism," invites attack as an "isolationist" and "reactionary." Labor leaders, businessmen, Democrats and Republicans seem to be as nearly unanimous in favor of the policies now being adopted ostensibly to "stop communism" as they were 15 years ago in favor of the New Deal policies being then adopted ostensibly to promote recovery. Private enterprise in the United States is being endangered now as it was then by policies ostensibly intended to "help" it, but better adapted to destroy it.

ROY V. WRIGHT

The death of Roy V. Wright, since 1912 managing editor of this paper and editor of *Railway Mechanical Engineer*, leaves a large and painful void, not alone in the staff of these publications, but in the railroad and railroad supply community and other circles where his dynamic personality was a constructive force over so many years.

Mr. Wright at times referred to himself, somewhat disparagingly, as an "extrovert" — and, in the best sense of the term, that is what he was: He sought the company and the friendship of hosts of people in all walks of life, not from calculated motives, but because he enjoyed their companionship. The society of his fellows buoyed him; it did not bore him. The most unusual range of diverse fields in which he acquired prominence is indicated in a longer article elsewhere in these pages — standing as a challenge to all of us who would like to do more useful things "if we could only find the time."

Of the many positive attributes of his character, the dominant one was, perhaps, his insistent urge to be helpful to other people, especially young men just getting started in railroading or engineering. His door was always open to such visitors, seeking counsel on their careers — and, from his

wide acquaintance, he was usually able to help them, as a good many successful engineers and executives could testify today from personal experience.

Entering state politics as an avocation at a time of life when most men would have begun to think of "taking it easy" rather than assuming added burdens, he carried on without the question of his railroad affiliations having ever been raised by anybody — despite his sympathetic understanding of the New Jersey railways' serious legislative problems and his earnest efforts to secure justice for them. It did not occur to anyone, including either Senator Wright or his political opponents, that he would use his office for anything other than his highest conception of the general welfare. Politics — yes, and engineering, railroading, manufacturing, publishing, and socio-religious services as well — could do with a lot more Roy V. Wrights.

TOO SOON TO QUIT

Once again, as it happened two years ago, the subcommittee of the Locomotive Construction Committee of the Association of American Railroads, responsible for the collection and tabulation of the statistics relating to the performance and operating costs of Diesel-electric locomotives, brought in a report to the Mechanical Division, at its recent meeting in Chicago, to the effect that in the 1947 report the results in the survey on performance statistics showed such wide variance that they had little or no significance. As the committee chairman said, "In spite of a carefully worded questionnaire and rather complete instructions, it was quite apparent that the reports from the several railroads were not on the same basis. . . . It is questionable whether this, or any other survey, can produce results which will be of value to the membership." The committee's recommendation, therefore, was that this subject be dropped and the docket closed.

It is to this recommendation that exception is taken. At a time when every railroad that is operating Diesel power and every railroad that proposes to operate Diesel power is in greater need of cost statistics than ever before, there should be no good reason why the Mechanical Division, if it is one of its functions, should not approach this subject from the standpoint of securing reliable cost statistics instead of abandoning the job as impossible.

Whatever may be the reason for the inability of this committee to secure cost statistics which are of

some real value to member roads, one thing is certain, and that is that the railroads themselves are not furnishing the right kind of information and, to give them the benefit of the doubt, it may be considered that it is not due to any unwillingness on their part to furnish such information.

This might be as good a time as any to recognize the fact that possibly the underlying reason why the railroads have not been able to develop the kind of cost statistics that will enable them to make some comparison between operating conditions that are truly comparable is because over a period of many years they have never approached the job of compiling steam locomotive performance cost figures on a basis that was of very much value.

It seems that the time has come to be realistic about this matter of motive-power cost. It is not just a problem of whether or not the railroads are going to compile Diesel cost figures; in the interests of the ultimate economics of the motive-power problem it is just as necessary completely to overhaul the method of compiling steam performance and cost figures as well.

In making this comment, it is safely assumed that reliable figures can be obtained; many railroads now have figures which are sufficiently reliable to compare their operations with other roads' operations under similar conditions. The industry needs this information and it is to be hoped that the Mechanical Division will assume the responsibility for collecting it.

COSTS NEED MORE EMPLOYEE ATTENTION

Because they appreciate the ignorance of most employees in the roadway and track department of the greatly increased cost of every item of material and equipment employed by the track forces, and also the proportionately larger opportunities afforded by these higher costs for loss through the misuse or abuse of any item, the officers of the Roadmasters' Association assigned to one of its committees study of what is being done to educate employees in the cost of materials, tools and equipment. That study has been prosecuted with great earnestness during recent months, and while the report resulting, to be presented to the association at its convention in September, is not complete, it is known to contain several important facts. One of these is that only a few railroads have any consistent and effective policy or program for disseminating information to the maintenance-of-way forces as to the costs of materials, tools and equipment. Another is that in most cases this

information does not get down as far as the foreman, and seldom, if ever, to the men in the gangs.

It is to be hoped that the roadmasters will not only draw attention to this lack of policy and program, but will also make forceful, practical suggestions as to what should be done about it, and how it can be done most effectively. Meanwhile, others in positions of authority on the railroads will not want to neglect this subject, because ignorance of the fundamental cost data can result in both carelessness and waste—and not only in the roadway and track department.

FORCING CONTINUANCE OF UNPROFITABLE TRAINS

During the coal strike the Nashville, Chattanooga & St. Louis pulled off a night passenger train operating in either direction between Nashville and Memphis. By so doing it reduced from \$150,000 per year to \$100,000 the out-of-pocket operating loss it had been suffering by running three daily trains in either direction between these cities. Nevertheless, after the coal strike ended, the state utilities commission required the reinstatement of the two cancelled trains with their \$50,000 annual loss to the railroad. President Hackworth in on-line newspaper advertising set forth the foregoing facts and the additional one that, because the Tennessee utilities commission has not permitted intrastate rate increases parallel to those authorized by the Interstate Commerce Commission for interstate traffic, the N.C. & St. L. in the past two years has lost almost \$2,000,000 on its operations in that state.

The Atlanta Journal reports that the principal opponent of the discontinuance of these trains was the state legislative representative of the Brotherhood of Railroad Trainmen, whose interest lay in making jobs for the group of trainmen and engineers immediately concerned. Economic ignorance could scarcely go farther—a union believing it is fostering the welfare of its members by insisting that the railroads provide services which operate in the red. It would not take much of that, in any business, either to put it out of the running or in the hands of Uncle Sam—the only American who is rich enough, or thinks he is, to do all his figuring in red ink and still keep going. What effort—commensurate with the need—are the railroads making to dispel such fatal ignorance? These abandonment cases occur all the time and afford an unparalleled opportunity for education in the fundamentals of transportation economics in terms that local people—employees and public alike—can readily understand.

Roy V. Wright Dies

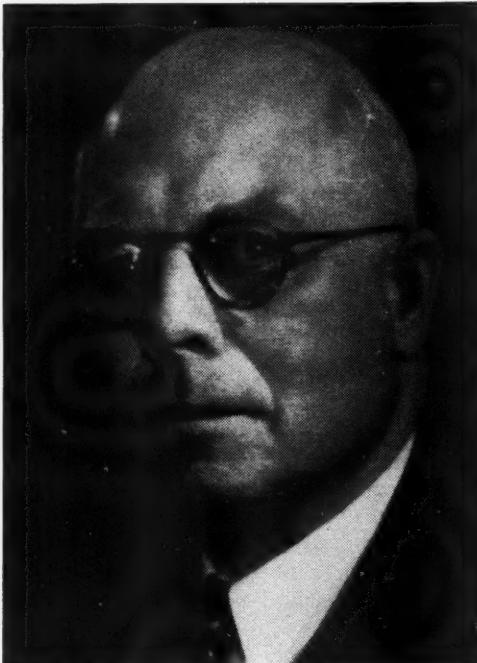
Editor, businessman, champion of political and civic progress, churchman and leader in professional and association work, succumbs to heart attack

Roy V. Wright, vice-president and secretary of the Simmons-Boardman Publishing Corporation, managing editor of *Railway Age* since 1912, editor of *Railway Mechanical Engineer*, the *Locomotive Cyclopedias* and the *Car Builders' Cyclopedias*, died on July 9 at the East Orange General Hospital, East Orange, N. J. Though in his seventy-second year, he had been meeting his wide and exacting responsibilities and exercising his talents for leadership with habitual verve and enthusiasm and alertness until, less than a week before his death, he suffered a coronary thrombosis attack at his home.

Born in Red Wing, Minn., October 8, 1876, and baptized Roydon Vincent, Mr. Wright grew to manhood in his native state. He attended public schools in St. Paul and then matriculated at the University of Minnesota, where he was graduated in the class of 1898 as a mechanical engineer. He began railroad work in July, 1898, as a machinist apprentice in the South Minneapolis locomotive erecting shops of the then Chicago, Milwaukee & St. Paul, from which he went in November, 1899, to the Chicago Great Western. For this road he was successively a special apprentice, draftsman and chief draftsman at St. Paul, until, in March, 1901, he went with the Pittsburgh & Lake Erie as mechanical engineer.

In July, 1904, Mr. Wright left active railroad work to enter the field to which he devoted most of his life, and in which he achieved wide distinction and many honors. His initial connection with business paper publishing was as associate editor, with headquarters in New York, of the *American Engineer and Railroad Journal*, during the editorship of the late George M. Basford. In October, 1905, he succeeded Mr. Basford as editor of that publication, continuing in that capacity until March, 1910, when he resigned to become mechanical department editor of the *Railway Age Gazette*, now *Railway Age*.

When the Simmons-Boardman Publishing Company,



Roy V. Wright

publisher of the *Railway Age Gazette*, purchased the *American Engineer and Railroad Journal*, Mr. Wright in January, 1912, again became editor of that publication, now the *Railway Mechanical Engineer*. In October of the same year he was appointed also managing editor of the *Railway Age Gazette*, in which position he continued when that publication became *Railway Age*. In 1912, also, he became editor of the *Locomotive Cyclopedias* and the *Car Builders' Cyclopedias*, which positions he likewise held until his death. He was editor, also, of the *Material Handling Cyclopedias* published in 1921.

Throughout the 36 years in which he held these positions of responsibility and opportunity, Mr. Wright impressed his own personality on the publications to whose guidance his steady hand was

so important. They profited as his influence grew, and he neglected no occasion to employ their prestige for the advancement of the industry they serve and the profession to which he was so deeply attached.

Developed Executive Capacity

His exceptional ability to develop friendships and enlist loyalties, to make decisions and delegate detail, his acute business sense and practical acceptance of realities, all went into the making of an executive, and all of his skills and talents were at the command of the publications and the corporation of which he was an officer. These qualities were most forcefully demonstrated on occasions that plumbed the utmost resources of the staffs of the papers in his charge—as, for example, when *Railway Age* dailies were issued in conjunction with annual meetings of the Mechanical Division of the Association of American Railroads.

Mr. Wright was zealous in the promotion of the interests of the business paper publishing industry and a vigorous and determined defender of its editorial

and business standards. In 1939-40 he was president of the National Conference of Business Paper Editors, and in 1940-41 he was president of the Associated Business Papers.

Editorial responsibilities did not chain Mr. Wright to his desk, however. He quickly developed and always maintained a wide acquaintanceship among railroad officers, particularly in the mechanical departments, and among manufacturers of railway supplies and equipment. The esteem and affection in which they held him were demonstrated, in part, by the many professional honors and positions for which he was chosen. Long active in the American Society of Mechanical Engineers, he served as chairman of that organization's meetings and program committee in 1921-22; manager in 1922-25; vice-president in 1926-27; president in 1931; and chairman of the committee on relations with colleges in 1937. At his death he was a member of its board of public affairs and chairman of its committee on engineers' civic responsibility. The A.S.M.E., meanwhile, had further honored him with election as an honorary member and fellow of the society.

Mr. Wright's scholastic fraternities were Sigma Xi, Beta Theta Pi and Pi Tau Sigma (honorary). Among his other professional associations, he was vice-president in 1927 and president in 1928-29 of the United Engineering Societies; a member, and in 1935 the president, of the John Fritz Medal Board; a trustee of the American Museum of Safety; vice-president, 1941-42, of the National Safety Council; a member of the Franklin Institute and the Newcomen Society; and a member of the executive committee of the New York Railroad Club. Also, he was a member of the committee on the war memorial to American engineers, at Louvain, Belgium; a delegate to the first World Power Conference, held in London in 1924; and the same year, as honorary vice-president of the American Management Association, the representative of that organization at the International Management Conference at Prague, Czechoslovakia. In 1931 Stevens Institute of Technology awarded him the honorary degree of Doctor of Engineering.

With all of his journalistic responsibilities and his devotion to the engineering profession, Mr. Wright was unfailingly generous with his strength and talents when there was need or opportunity to employ them in educational, religious or civic affairs.

Another Field for Leadership

The Young Men's Christian Association was especially close to his heart. At his death he was chairman of the board of publication of the national council and a member of the international committee of that organization, as well as a director and vice-president of the Y.M.C.A. of the Oranges, in the community where he had made his home since 1904. He had participated in the development of the Railroad Y.M.C.A. and continued to concern himself with its problems and performance, being at his death chairman of its committee on responsible citizenship. He was even more closely affiliated with another association activity, the summer conferences at Silver Bay, N. Y., and at his death he was president of the Silver Bay Association and trustee of the Silver Bay

Human Relations in Industry Conference Committee. He was an officer of his church in East Orange and for many years was superintendent of its Sunday school.

As a member of the engineers' national committee Mr. Wright worked energetically on behalf of Herbert Hoover in the Presidential election of 1932. His interest in politics was further aroused by the opportunity to contribute to the Republican "clean government" movement in his own neighborhood his tested capacity for leadership and his magnetic and genuine fondness for people. From 1935 to 1937 he served on the board of freeholders, the local government body of his home county. In 1940-43 he was a member of the New Jersey Republican state committee, and in 1941 he was elected for the first of the two terms in which he represented Essex county, the most populous county in the state, in the New Jersey Senate. In 1947, having passed his seventieth birthday, he declined to run for a third term.

Mr. Wright's interest in civic affairs went beyond organization politics. He was a lecturer on citizenship at the Newark (N. J.) College of Engineering. He wrote a Manual on Citizenship for the A.S.M.E., contributed the chapter on transportation to the work, *Toward Civilization*, published in 1930, and with his wife was the author, in 1938, of the book, *How to Be a Responsible Citizen*.

The extraordinary variety of his sincere interests was perhaps Mr. Wright's outstanding characteristic, and perhaps, too, the reason for the exceptional youthfulness of viewpoint and elasticity of mind with which he forthrightly faced every situation. His tempered judgment and fruitful experience, his buoyant fighting spirit, his ingrained gentility and quick and generous understanding, were at the command of his associates both in business and professional life and in the political and social and civic contacts which were his avocations. He detested pettiness and hypocrisy, and knew how to be stern and uncompromising when he saw a principle threatened or a sordid motive revealed. The list is long of editors who matured under his guidance, encouraged by his counsel and praise to test their capabilities and enlarge their responsibilities. Quick to grasp an opportunity to be a mentor and a friend, he yielded to no obstacle as an advocate of a cause or a defender of a conviction.



Aluminum box car undergoing operating tests on the C&O.

WEIGHING THE RAILROADS' FUTURE

Responsibility is many-sided for their continued development under private ownership and their sustained functional efficiency

By R. V. FLETCHER
Special Counsel and Former President
Association of American Railroads

If the railroads pass under permanent government control or ownership, such action will be speedily followed by ownership or control of all other forms of transportation, whether it be on the highways, by pipe line, on the waterways or in the air. For it necessarily follows as an inevitable result of public operation that the government will not brook competition in any field which it enters.

Thus we note that in Great Britain, where the socialists control the government, the taking over of the railroads is accompanied by similar action with respect to highway, waterway and air transportation. But such a socialistic gesture as government ownership and control of transportation will not stop just there. In Great Britain, the government has taken over as well coal mines and the Bank of England, and plans are openly discussed and advocated for the same type of control over all of the so-called basic industries, it being always the province of the House of Commons to decide just which particular industries are to be considered as basic. Indeed, a review of all the countries where socialistic policies prevail indicates that the first step in the process of state operation of all lines of business is assuming control and operation of transportation.

Public Favors Private Ownership

I do not pause to argue the respective merits of public versus private ownership of railroads. I must content myself with saying that at present there is an overwhelming sentiment in the United States in favor of private ownership—a sentiment intensified and confirmed by the experience of the country in World War II as contrasted with World War I. Notwithstanding the sentiment of the country, as indicated by reliable opinion surveys, there are present in the situation as it stands today factors that may well cause apprehension.

One of these is the attitude of organized labor, which seems to make ineffectual the provisions of the Railway Labor Act as a means of settling controversies. For nearly a quarter of a century we have heard it said that the railroads have found a practical solution to the relationship of management and labor. In the debates in Congress, in speeches by public offi-

cials, in publications of the industry and very generally in the literature of the period, we have heard it said that the Railway Labor Act is a model statute—the answer to all our prayers. Enacted originally in 1926 and amended in many important particulars in 1934, it provided for conferences, for voluntary arbitration differences, and failing these, for consideration of controversies and recommendations by an emergency or fact-finding board, composed of impartial men, selected by the President of the United States, and presumably of approved competence. It was assumed that the findings and recommendations of such a board would be accepted by the parties as representing the judgment of disinterested judges as to what was fair and reasonable.

Railway Labor Act Inadequate

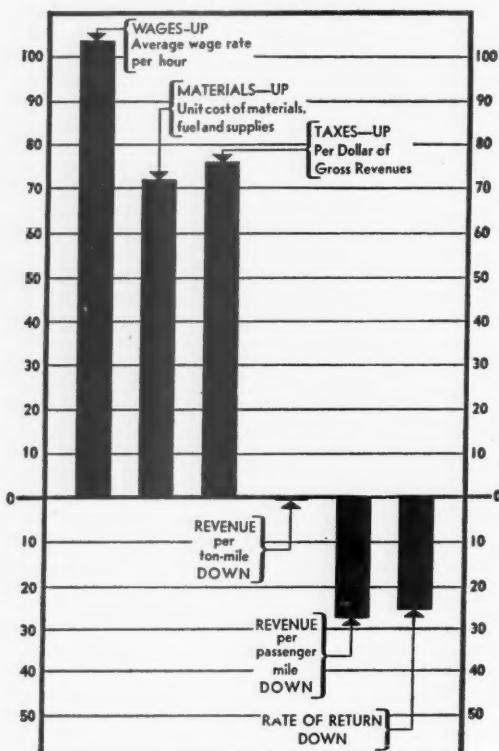
Emphasis has been laid upon the fact that, with unimportant exceptions, there have been no interruptions of operation for any extended period since the nationwide strike of the shopmen in 1922. But the recent difficulty with three of the operating unions has focused attention upon the inadequacies of the Railway Labor Act as a means of preserving peace in the industry. There can be no denial of the assertion that while railroad management has invariably complied with the findings and recommendations of the emergency boards, even though to do so has involved tremendous increases in operating expenses, the unions have in several instances refused to accept these findings and recommendations and have resorted to their so-called economic power to extort concessions beyond those found to be fair and reasonable by the presidential boards.

In other words, this law, so long eulogized as model peace-preserving legislation, has in almost every case of controversy proved to be a one-sided remedy that is binding upon one party but not upon the other. True it is that technically there is no legal obligation that compels either party to comply with the board's recommendation, yet the force of public opinion is such that railroad management cannot refuse to go along, while the unions with no such compelling sense of responsibility, do not hesitate to wreck our economic life in their demands for greater concessions than have been found to be reasonable. The experience of these later years forces the conviction that Congress may be called upon to write into the Railway Labor

This article consists of excerpts from an address on May 20 at the French Lick, Ind., meeting of the Association of Railway Claim Agents.

**These Percentages Picture a Past
From Which a Brighter Future Can Come**

TWENTY YEARS AT A GLANCE **1927-1947**



—From the Association of American Railroads' booklet, "You and Your Railroads."

Act as it stands today provisions similar to those in the Taft-Hartley Act—an act which has functioned successfully in bringing the recent coal strike to a conclusion. It would seem to be clear that unless the leaders of union labor manifest a disposition to cooperate in making the machinery of the Railway Labor Act effective, some legislation must be had looking toward making the findings of these emergency boards binding upon both parties. Otherwise private operation of the railroads is seriously endangered.

Rate of Return Affects Credit

We have with us always the problems of finance; or to state the matter more concretely the problem of securing a fair return upon the value of the property devoted to the public interest. . . . You may well inquire as to the prospects for improving railroad credit through the process of improving the rate of return. The solution rests with railroad management, railroad labor, the Interstate Commerce Commission, the Congress of the United States, and the shipping and traveling public. Each has its place in the picture.

Upon management, obviously, rests the responsibil-

ity for improvement in service, both in the interest of economy in operation and in order to maintain the place of the railroads in the competitive field. The task of reducing operating costs presents a major problem of acknowledged difficulty. The rise in the wage scale, and in the cost of materials, must challenge the ingenuity of every railroad man in authority. True, substantial progress has been made in recent years in reducing the unit cost of moving freight. It may not be generally known that whereas in 1921 it cost the railroads \$10.78 in operating expenses to move a ton of freight 1,000 miles, in 1946, despite advances in wage scales and material costs, this figure had declined to \$7.94. Of course, this figure of unit costs is greatly affected by the volume of traffic. And to secure and retain this volume, every effort must be made to make railroad service attractive to shippers and travelers.

Upon labor rests the responsibility of sanity in the matter of wage demands. And this characteristic should manifest itself in a willingness to abide by the conclusions and recommendations of arbitral bodies composed of well-informed and impartial personnel. Nothing can be more disruptive than these constant threats of strikes. Nothing can more certainly shake the public confidence in the integrity of railroad investment than the feeling that the leaders of railway union labor are unmindful of their obligations as citizens to obey not merely the letter but as well the spirit of the law. We should have a long period of peace in the transportation field for the same reasons, from an economic viewpoint, as appeal for peace in the domain of international politics.

I.C.C. Responsibility

The weighty responsibility rests upon the Interstate Commerce Commission to adjust the rate structure of the railroads to reflect the increase in costs of operation, and to authorize such adjustments as promptly as is consistent with the public interest. It has been said, with a degree of plausibility, that in the past there has been too great a lag between increased costs and increased revenues. It is, however, an encouraging recent development that the regulating authorities seem to be conscious of the danger resulting from tedious delays, and have shown a disposition to correct a practice which has resulted in something akin to disaster. Certainly, it is the obligation of the Congress to legislate wisely and sympathetically, with a complete realization of the importance of the railroads both in times of peace and war. It should be sufficient if the Congress would be guided in its actions by the splendid declaration of policy that is found in the Transportation Act of 1940. . . .

Upon users of transportation rests an obligation equal in magnitude to any of the others. For upon the patrons of the industry devolves the duty to form and direct public sentiment along lines that will insure sound policies on the part of management, labor, the Interstate Commerce Commission and the Congress. In a democracy of the type we are struggling to maintain here in America, the dominant force is public opinion. If our people as a whole can be brought to understand the fundamentals of the transportation sit-

uation, that understanding will lead to a body of settled convictions that will in turn be reflected in a course of conduct on the part of those who operate and regulate the industry that will insure its permanency as an essential part of our economic and political structure. There must be a realization on the part of the public that lip service to the principle of private enterprise is not sufficient, and that the faith of the citizen must be manifested in opposition to government encroachments, favoritism and controls, even though some particular action or policy may hold out promise of immediate profit to an individual or a particular group.

Subsidized Competition

If we could be sure of this type of informed public opinion, and equally sure of wise governmental action, the railroads could look to the future with confidence, though not with serenity. For they must not be at ease in Zion. They face sharp, intelligent and, at present, heavily subsidized competition.

Assuming that these government subsidies will decline and ultimately disappear, it does not seem probable that the railroads will lose their traffic to competitors in volume sufficient to presage despair. There are no present indications that highway carriers, alert and efficient as they may be, will transport a relatively greater volume of traffic than fell to their lot in the prewar period. In 1940, measured by freight ton-miles and passenger-miles, the railroads handled 62.3 per cent of commercial traffic and the highway carriers 8.4 per cent. The highway percentage declined relatively in the war years, but there is no reason to suppose that with improved highways—the improvement at public expense—the percentage of highway traffic will fall below the ratio of 1940.

The operating ratio for 1946 of motor carriers of property stood at 95.3 per cent, a figure that does not argue a high degree of present prosperity for freight carriers on the highway.

So far as water transportation goes, in 1940, excluding Great Lakes traffic which is really not competitive, the percentage of traffic on rivers and canals amounted to 3.7 per cent of the total. I can detect no indication of an increase at the present time in this proportion. And it should not be forgotten that the Federal Barge Line continues to operate, in the face of huge operating deficits, only through generous appropriations from the federal treasury.

In spite of enthusiastic predictions as to the future of air transport, both of passengers and freight, the picture is not all rosy. For some years now the certificated air carriers have been operating at a deficit, and their continued operation is made possible only by substantial subsidies from the federal treasury in the form of arbitrary payments for carrying the mails—payments not based on cost of service or the value of the service but upon the financial needs of the air lines.

The facts are that the inflationary factors in our economic life, leading to enormous increases in operating costs, affect the competitors of the railroads in a degree comparable with their effect upon the railroads. And so far as air lines are involved, the Civil

Aeronautics Board has just fixed for regulated air carriers a minimum freight rate of 16 cents per ton-mile for the first 1,000 ton-miles in any one shipment and 13 cents per ton-mile for all ton-miles in excess of 1,000 ton-miles in any one shipment. At these rates, there cannot be much competition with other carriers, except for the movement of luxury and emergency items.

The railroads are exerting themselves to the utmost to improve and extend their service, both in the freight and passenger fields. . . . Another encouraging feature is the attention now being given to research as an essential tool of progress. There has never been a time, for that matter, when the railroads have not carried on extensive and fruitful research. The striking improvement in railroad service demonstrates that fact. But recently an intensified spirit of research has developed, partly, I like to think, as the result of the work of the Railroad Committee for the Study of Transportation. I may mention in this connection the organized research activities of the American Railway Engineering Association, carried on through its technical committees and experts. I feel sure that no opportunity will be neglected to improve operations in the direction of efficiency, economy and safety.

On the whole, I see no reason for despondency, although the situation calls for the exertion of the utmost diligence, courage and intelligence on the part of railroad workers, on whichever side of the table they may sit. The competition will be keen, and that makes for progress and success. The task of keeping public opinion informed is stupendous. Every railroad man, whatever his station and his special task, must be an informed and enthusiastic worker in the cause. Especially do we need an influx of young men, of fine character and good education, prepared to devote their energies to maintaining a system of transportation essential to the welfare of our great country, and affording opportunities for the display of initiative along lines of the greatest usefulness.

KEEPS MOISTURE OUT OF MASONRY

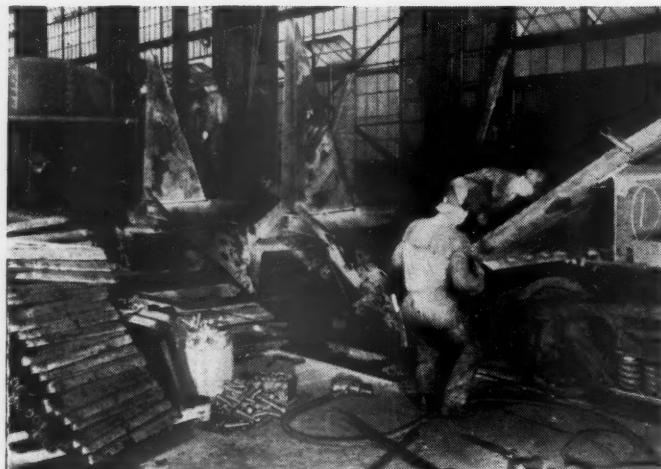
A transparent protective coating for application to common brick and porous masonry walls, designed to minimize penetration of moisture, has just been announced by International Aquella Products, Inc., Rockefeller Center, New York. This liquid is called "Aquaphane."

Applied to porous brick, "Aquaphane" is said to reduce water absorption by more than 90 per cent while allowing for "breathing" of the brick to permit surface evaporation of residual moisture. It can be applied by ordinary brush to either moist or dry surfaces of such materials as unglazed brick, stone, concrete, stucco, mortar, plaster and asbestos, and is described as non-toxic and non-flammable. An "Aquaphane" coating is said to be able to withstand temperatures of up to 212 deg. F.



At Station No. 2 in the assembly line the hoppers are arc-welded to the center sill, which was lowered in place on the trucks from an overhead crane at Station No. 1—The line moves every 17 minutes for each operation at these and all succeeding stations

A.C.F.'S WELDED HOPPER-CAR ASSEMBLY LINE



At Station No. 4, above, the floor sheets are applied and tack-welded in place to be welded further when they reach Station No. 5—The cross ridges, which were first assembled by hand welding and semi-automatic submerged arc welding, were applied at Station No. 3



Rivets have disappeared, except for the application of safety appliances, in the 6,000 70-ton hopper cars being built for the Chesapeake & Ohio by the American Car & Foundry Co. at Huntington, W. Va. Faster unloading and reduced repair costs are expected in these cars from the smooth surfaces produced by welding, which will offer neither protrusions to interfere with coal unloading nor pockets in which coal dust and water can accumulate to cause corrosion. The use of welding contributes further to more rapid unloading by making possible a modified design of center sill that permits installation of wider hopper bottom openings. Conventional center-sill construction comprising two Z-shapes assembled together is used only at the ends of the center sill; the middle portion is fabricated by welding together two channels with the open portions facing each other.

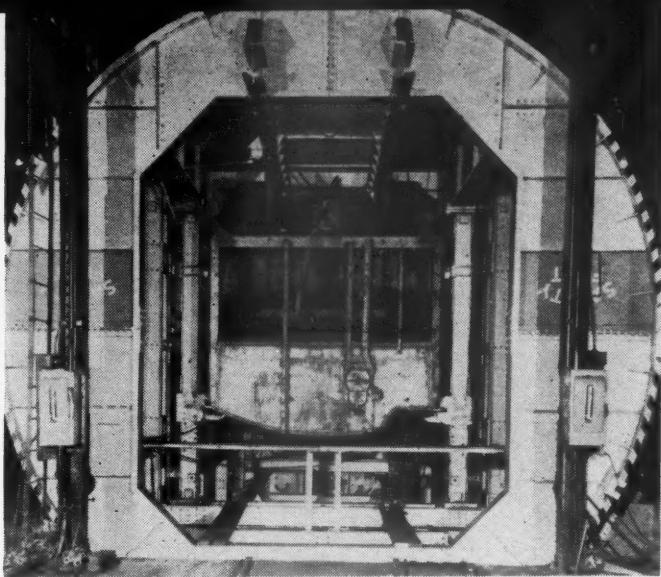
A minimum of 25 all-welded cars per day are being produced. Over 1,250 cars were in service by the end of June, less than four months after the plant was converted from building cars of riveted design. Each of the new-type cars contains over a third of a mile of welds, 670 ft. of which are produced by flashless automatic and semi-automatic means.

The ends were erected at Station No. 6 and the sides are welded in place at Station No. 7, shown left—The sides are of completely welded construction and are held to close tolerances during fabrication for precision fit to the car—They are held in place for welding by two fixed and two movable pneumatic jacks

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In Stations Nos. 8, 9 and 10, the car is positioned on each side and upside down, respectively, to permit all welding to be performed down hand—Here the car is shown inverted in the rotator at Station No. 10 where final welding to the underside and to the underneath part of the top rail is completed



Assembly line technique has been adopted for constructing the welded hopper cars. Seven sub-assemblies are fed separately into the main production line on which a car is completed, ready for painting and lettering, in 11 positions. Three hours after the under-frame has been lowered onto the car truck, the car rolls away from the assembly line to the paint track.

The seven sub-assembly lines feed at right angles to the main assembly line. The underframe is built in the first sub-assembly. This all-welded bed is then fed to the line where it is mounted on the completed trucks. At the third sub-assembly position the hoppers are applied and hopper doors fitted. The cross ridges that bind the sides to the floors and hoppers are next applied, followed by the floors and finally by the ends and sides, at which time the car is basically complete.

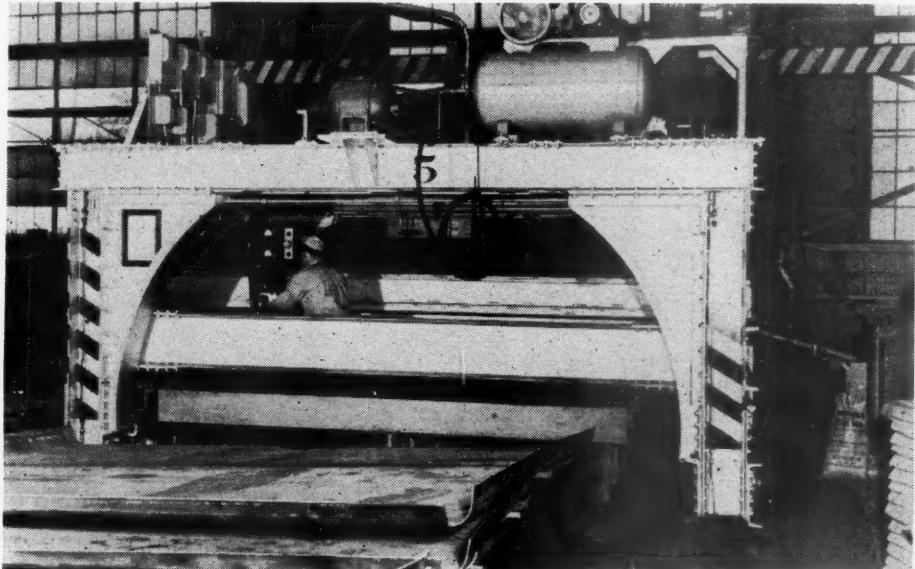
All-welded sides are fabricated in a four-station production line jig served by welding gantries that produce 50 to 54 car sides every 16 hours.

Up to this point the various sub-assemblies have been tack-welded in position. At the eighth, ninth and tenth assembly-line stations all seams are hand welded. Three rotator jigs are used. The cars, when placed in the rotators, are mechanically secured in position for downhand welding, one rotator turning 90 deg. one way, the next 90 deg. the other way, and finally the last of the three rotators turns the car completely upside down.

At the last position, before the cars are switched to the paint track, the brake cylinders, hand holds, hand brakes and other accessories are applied, making a complete car ready for its protective coatings and for operation in revenue service.



In the sub-assembly of the center sill there are seven positions from the base metal to the finished sill—Here the Z-section draft sills are being welded to the channel section that forms the main center sill—The use of channel sections for the main part of the center sill permits the use of wider hoppers for faster coal discharge—In this position such appurtenances as the brake-rod supports, bolsters and draft gear are applied



This welding gantry, designed by the car builders, arc welds the floor sheets together automatically by submerged arc and transports the finished sub-assembly to the erecting track while another set-up is being made on the jig—Similar gantries are used for welding together the parts of the completed car side

WAGE-CASE SETTLEMENT ENDS FEDERAL CONTROL

Army operation of railroads terminated July 9, the day after management representatives and holdout op leaders had accepted compromise proposed by Presidential Assistant Steelman

FARICY'S STATEMENT

Commenting on the return of the railroads to private operation, President William T. Faricy of the Association of American Railroads made the following statement on July 9:

"It is good to have the railroads back in private operation. Private enterprise is the very foundation of our American system of individual opportunity, and the railroads are prime examples of the beneficial results of that system.

"The Army is to be congratulated on the promptness with which it acted today following the settlement of the controversy last night. The Army is also to be complimented for the efficient and smooth working manner in which it supervised the operation of the railroads during the past 60 days. The Association of American Railroads is glad to have been of assistance during this period and is always ready to cooperate with the government and the armed forces.

"The operation of the railroads during government control resulted in no interruption of service or inconvenience to the shipping and traveling public. That is a tribute to all concerned.

"Let us hope that the time will never come again when the government will find it necessary to take over the railroads even for a brief period of time."

Government control of the railroads was terminated by Secretary of the Army Kenneth C. Royall at 4 p.m., Eastern Daylight Time, on July 9, the day after management representatives and leaders of the three holdout operating unions had agreed to end their wage and rules dispute on the basis of a "proposal for settlement" which had been submitted to them by Dr. John R. Steelman, assistant to President Truman. The settlement calls for the same 15½ cents per hour basic-wage increase that was accepted last fall by other employees and recommended for the holdout ops in the emergency-board report which they rejected; but it also provides for working-rules changes beyond those proposed by the board. Because the latter involved some "swapping," the management representatives consider that the whole adjustment reflects adherence to their position that any settlement would have to be "within the framework" of the emergency board's report.

The unions involved are the Brotherhood of Locomotive Engineers, headed by Grand Chief Engineer Alvanley Johnston; Brotherhood of Locomotive Firemen & Enginemen, headed by President David B. Robertson; and Switchmen's Union of North America, headed by President A. G. Glover. Management has been represented in the negotiations by Daniel P. Loomis, H. A. Enochs and C. D. Mackay, chairmen, respectively, of the western, eastern and southeastern conference committees. President William T. Faricy of the Association of American Railroads has also

been present at some of the conferences with Dr. Steelman at the White House, including the July 8 session at which the Presidential assistant's settlement proposal was accepted.

The emergency-board report in issue was that submitted to President Truman on March 27, members of the board having been Chairman William M. Leiserson, former chairman of the National Mediation Board, George E. Bushnell, chief justice of the Supreme Court of Michigan, and Professor William W. Wirtz of Northwestern University's School of Law (see *Railway Age* of April 3, page 47.) After rejecting the board's recommendations, the holdout op leaders proceeded to call a strike of their members for 6 a.m. May 11. They cancelled the call late on the night of May 10, in compliance with a restraining order which the government obtained from Justice T. Alan Goldsborough in the United States District Court for the District of Columbia, President Truman having meanwhile seized the roads as of 1 p.m. that day and assigned the job of operating them to Secretary Royall.

Thus the period of Army operation lasted 61 days. It marked the third time within five years that a strike threat growing out of a wage controversy had brought on government control. The carriers were previously under control of the secretary of the army's predecessor, the secretary of war, during the period from December 27, 1943, until January 18, 1944, they then having been taken over by the late President Roosevelt. That seizure resulted from a strike threat by unions other than the B. of L. E. and the Brotherhood of Railroad Trainmen. Two years later, however, in May, 1946, those two unions were involved in the two-day strike which occurred despite the fact that President Truman had taken over the roads. Director J. Monroe Johnson of the Office of Defense Transportation had the operating job at that time, the period of government control lasting nine days.

The 15½ cents per hour wage increase involved in the present settlement will be retroactive to November 1, 1947, the effective date of the like increase granted to employees represented by the other two operating unions, the B.R.T. and Order of Railway Conductors. Likewise will the effective date of the rules changes become the same—January 1, 1948.

The Additional Rules Changes

The principal concession which the management representatives made in the way of rules changes beyond those recommended by the emergency board was their agreement to negotiate a rule covering payments to enginemen in through freight service for initial

terminal delays beyond 1 1/4 hours. These payments will be in addition to those for the mileage run. The emergency board had recommended that the unions' demand for this rule in freight service be withdrawn, although it did recommend that enginemen in passenger service be paid for initial terminal delays beyond one hour and that enginemen in both freight and passenger service be paid for final terminal delays beyond 30 minutes.

The extension of the initial-terminal-delay rule to through freight service was described as part of a "swap," since management accepted it when the labor leaders agreed to forego the so-called minimum-guarantee rule which the emergency board had recommended. That recommendation was to the effect that enginemen who are used in other service than their assignments or their turns, because of the operation of schedule rules, "shall be paid not less than they would have earned on their assignments or if they had followed their turns." It was also pointed out that management can minimize payments under the new initial-terminal-delay rule by better coordinating the calling of crews with the departure times of freight trains.

Another feature of the settlement is that which will give yard conductors and brakemen who are represented by the Switchmen's Union a basic-rate increase of 15 cents per day in addition to the 15 1/2 cents per hour. In the November settlement, yard conductors and brakemen represented by the O.R.C. and B.R.T. got a similar "extra" of 20 cents per day, but it was in the form of a "guarantee," not incorporated in the basic rate and offsettable by overtime. This was offered to Mr. Glover for his yard conductors and brakemen, but he insisted that the "extra" be incorporated in the basic rate and took five cents less to get it there.

With respect to rates applicable to Diesel-electric "firemen" in yard service, the settlement stipulates that it shall be the rate applicable to "firemen" on Diesels in through freight service. This is a modification of what the emergency board recommended, but it does not meet the whole union demand which was for the application of local-freight rates as minima for yard service.

Plan Time Limit on Claims

Under other phases of the settlement, the parties agree to negotiate a rule to the effect that crews will not be tied up at points where eating and sleeping accommodations are not available; a rule covering train-operating conditions under which enginemen's wages will be converted from those applicable to through freight service to the higher basis applicable to local service; and a rule fixing time limits with respect to the presentation and handling of claims before the National Railroad Adjustment Board. Such negotiations had been suggested by the emergency board.

The outline of the settlement proposal also noted that the recommendations of the emergency board would be accepted as to rules relating to the following: Minimum rates in passenger and freight service; minimum rates in yard service, except as modified by the new provision with respect to "firemen" on yard Diesels; rates for hostlers and hostler helpers; rates for

switchtenders; differential for yard conductors; passenger service overtime; multiple-unit passenger service; overtime in yard and hostler service; held at other than home terminal; and final terminal delay. These recommendations were outlined in the review of the board's report which appeared in the issue of April 3.

It was estimated at that time that the carriers were committing themselves to additional costs amounting to approximately \$80 million a year when they agreed to accept the report. No estimates were available as to the additional cost of the final settlement, but it was not expected to add much to the \$80 million.

With respect to the holdout ops' position in the "third-round" proceedings now getting underway, management is understood to have agreed that any notices filed in that connection by the three unions will be considered June 30 filings. Thus will the holdouts catch up with the procession, for it was on that day that the other two operating unions—the O.R.C. and B.R.T.—served their "third-round" demands for an additional 25 per cent increase with a minimum raise of \$2.50 per basic "day."

Following agreement on the Steelman proposal, the parties turned to the job of writing it into contracts, which was expected to take several days. As to that, the outline of the proposal had said "it is understood that the parties are in substantial agreement as to the application of these recommendations." They further "agreed as to a method of disposition of any unsettled dispute arising between them in negotiations covering the rules." The latter is understood to have been a reference to the fact that Dr. Steelman would be the arbiter of any differences arising in connection with the writing of the contracts.

Congratulations from Truman

Dr. Steelman had conferred with the parties intermittently since he entered the case on May 7 in an undertaking to mediate a settlement in advance of the strike date. It was stated at the White House that the Presidential assistant worked over 300 hours on the case. President Truman did not meet the parties until Dr. Steelman brought them to him with the settlement on July 8. Then the President extended his congratulations, saying that the settlement was "great for our country."

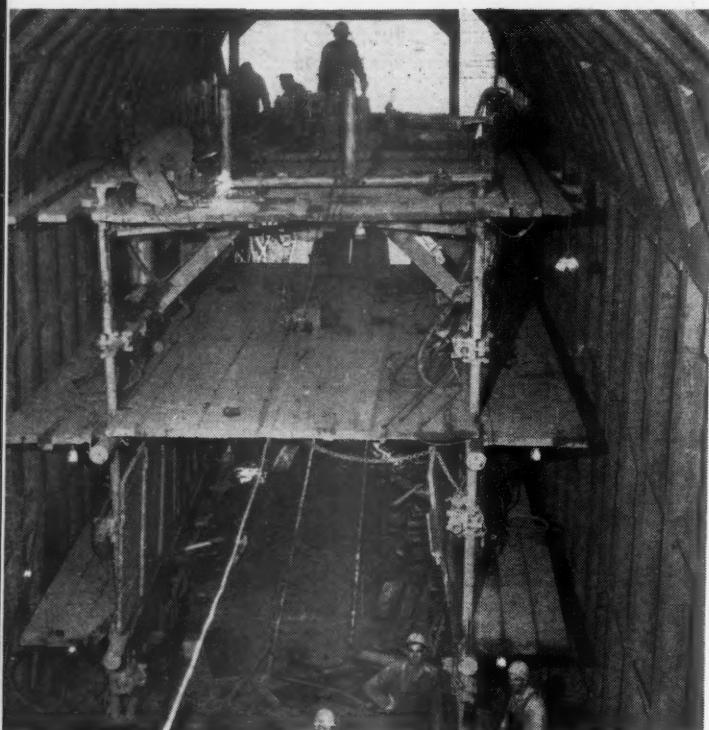
"I wanted to see this thing settled as it should be done, by bargaining and not in any other way," the President continued. "You did this on your own hook, and I feel very good about it. . . . I am satisfied that you would like to have this publicly known as a settlement on your own hook, and I am going to tell you gentlemen to go out of here and tell the press exactly what happened and what the agreement is. Again I want to congratulate you."

Shortly thereafter, the President's press secretary, Charles G. Ross, announced that the roads would be returned to their owners without waiting for the signing of the formal wage and rules agreements. The President, Mr. Ross said, knew only the words of the management and labor representatives were needed.

As noted above, Secretary Royall followed through on that basis, terminating government control on (Continued on page 44)

ACTIVITY HIGH IN DRILLING NEW TUNNELS

Line-improvement projects and relocations at government-built dams have given unusual stimulus to this form of construction—Bores now being built on four roads alone total 23,510 ft. in length



Above—This construction view in the new Aspen tunnel of the Union Pacific, taken from the working face and showing the three-deck jumbo used in the drilling and timbering operations, was made shortly after the project got under way. Below—Looking toward the working face in a new double-track tunnel, 7,050 ft. long, which the Norfolk & Western is drilling in connection with a major line-relocation project

As a result of large-scale property improvement programs on the railroads and line relocations in connection with government dam projects, more railway tunnel construction work is currently under way than in any period for many years. Among the projects of this type now in progress are several that are of major proportions, including jobs on the Union Pacific, the Norfolk & Western, the Pennsylvania and the Chicago, Burlington & Quincy. On these roads alone four new tunnels now being drilled will have an aggregate length of 23,510 ft. In addition, the Chesapeake & Ohio recently completed a new tunnel 3,622 ft. long at a cost of more than \$2,755,000. Salient features of each of these projects are given in this article.

U. P. Replacing Aspen Tunnel

Estimated to cost \$8,000,000, the tunnel being constructed on the Union Pacific is one of the projects included in this road's \$200,000,000 post-war improvement program. A double-track tunnel, it will, when completed, replace the single-track 47-year-old Aspen tunnel in western Wyoming on the company's double-track main line between Omaha, Neb., and Ogden, Utah. Completion of the project will mean the elimination of the last stretch of single track in this 1,026-mi. line.

The new bore, will be 6,700 ft. long and lined with concrete throughout. It passes through a spur of the Uintah mountains at an elevation of approximately 7,200 ft. Located north of, and approximately parallel



to, the Aspen tunnel, the new tunnel will have a 250,000-cu. yd. fill at the east end and a 620,000-cu. yd. cut at the west end. The tunnel is being drilled from the east end by a crew of 150 men using equipment that includes a three-deck drill carriage or jumbo. To house the personnel working on this job it was necessary to build a small town consisting of 14 Quonset buildings, 12 aluminum buildings, a trailer village and a variety of smaller structures.

On the N. & W.

The tunnel job on the Norfolk & Western is part of a \$12,000,000 main-line relocation project under way between Lick Branch, W. Va., and Cooper, which through the elimination of heavy grades and sharp curves is designed to produce definite improvements in operating efficiency. The new tunnel is a double-track bore and will be 7,050 ft. long, more than twice as long as the present Elkhorn tunnel which it will replace.

In cross section the new tunnel will be 30 ft. wide at the base and 31 ft. wide at the springing line. The arch will be a semi-circle with a radius of 15 ft. 6 in., providing a height of 30 ft. 6 in. above the base of rail at the center line of the tunnel. The tracks will be spaced 14 ft. between centers. A concrete lining, with 8-in. H-beam plumb posts and roof supports, will be installed throughout.

Except at locations where the floor is of solid rock, a 6-in. concrete slab, sloped from the center toward the side walls, will be provided, which will support 18 in. of ballast. The ballast section at the rock-floor locations will be 24 in. deep. Concrete curbs, to retain the ballast, and concrete gutters between the curbs and the tunnel walls will be constructed on each side of the tunnel.

Provision for drainage will include 4-in. porous-pipe weep holes placed in the curbs on 18-in. centers, and weep holes in the tunnel walls at 4-ft. centers. A 14-in. cast-iron water pipe will be placed in a longitudinal trench on the center line of the tunnel. To carry signal wires and telephone lines through the tunnel, six rows of 3½-in. Transite Korduct pipe will



Below—Approach cut leading to one of the portals of a tunnel being built to carry the relocated line of the Pennsylvania at the Conemaugh River dam in Pennsylvania. Photograph was taken from point above portal. Above—Showing erection of steel arch ribs in a tunnel being built in a relocated line of the Chicago, Burlington & Quincy at the Boysen dam in central Wyoming





Construction view in tunnel built by the Chesapeake & Ohio on a new single-track extension to reach undeveloped coal reserves in Virginia

be bolted to the plumb posts on each side prior to concreting.

The drilling of this tunnel was started on January 2, 1948, and the work is scheduled for completion early in 1950. With crews working on a two-shift basis the drilling work is now proceeding at the rate of approximately 12 ft. a day.

7,000-Ft. Bore on the C. B. & Q.

The new tunnel being built on the Burlington, having a length of approximately 7,100 ft., is being constructed by the government in connection with the relocation of 12.26 mi. of this road's main line in the reservoir area of the Boysen dam project on the Big Horn river in central Wyoming. The estimated cost of the railroad relocation is \$11 million, including \$6.5 million for the new tunnel. This tunnel, which will have a concrete lining throughout, will be of single-track construction and will be 17 ft. wide and 25 ft. 8½ in. high above the concrete slab sub-grade to the crown of the arch. The latter will be a semi-circle with a radius of 8 ft. 6 in.

The northerly portal will be located opposite the spillway of the proposed dam with the top of the tunnel at an elevation below the water surface in the reservoir. From this point the tunnel will rise on a

0.5 per cent grade, and the southerly portal will be well above the pool elevation.

There will be variations in the type of construction of the concrete lining, depending on the stability of the material encountered and the depth of the tunnel section below the reservoir water surface. H-beam ribs and steel liner plates will be used as necessary. Wherever required, the rock surrounding the concrete tunnel lining and the spaces outside of steel liner plates will be grouted under pressure as the work progresses. Two "cut and cover" sections will be excavated, in which the tunnel will be constructed in the open. Before backfilling each of these sections, the sidewalls, arch and invert will be covered by a membrane waterproofing.

Excavating of the "cut and cover" sections was begun in September, 1947. The drilling of the tunnel was begun in December, 1947, at a point approximately midway between the portals, where a trench was excavated to the tunnel level. Work is progressing in both directions from this point. Still another working face was started at one of the "cut and cover" sections. The tunnel is scheduled for completion in July, 1949.

On the Pennsylvania

The tunnel work in progress on the Pennsylvania is part of one of the largest railroad construction projects now under way—a \$12,656,000 job involving the relocation of 16 mi. of the Conemaugh division in the reservoir area of the proposed Conemaugh River dam near Satsburg, Pa. Being constructed by the federal government, the new double-track tunnel will be 2,660 ft. long and in cross section will be 30 ft. wide and 26 ft. high at the center line. The arch section will consist of a compound curve having a radius of 8 ft. at the springing line and 22 ft. at the top. The tunnel will be concrete lined throughout. It will have a forced-air ventilating system and will be wired for electric lights, with frequent outlets for operating electric track tools. Excavation for the tunnel was begun in April, 1946, and a pilot tunnel was holed through in December, 1946. At the present time the work of lining the tunnel is under way.

C. & O. Tunnel on New Line

The recently-completed 3,622-ft. tunnel on the Chesapeake & Ohio is located on a 14-mi. single-track extension from Jenkins, Ky., to undeveloped coal reserves in Wise county, Va. Passing through Almira, Va., and Pound, the extension ends at a mine of the Clinchfield Coke Corporation on Meade fork, about 5 mi. east of Pound. The amount of coal in the reserve has been estimated to be 300,000,000 tons, and when mining operations are fully under way, the C. & O. expects to move the coal at a rate of about 80 cars per day.

The tunnel, which is 22 ft. high and 18 ft. wide, pierces Pine Mountain on the Kentucky-Virginia state line at an elevation of approximately 1,700 ft. The Jenkins end of the tunnel is lined with concrete for a distance of 858 ft., while the remainder is lined with timber. Excavation was started at the Jenkins end on December 4, 1946, and at the eastern end on April 25, 1947. The first train passed through the tunnel on February 2, 1948.

BRAKE CYLINDER RELEASE-VALVE SPEEDS FREIGHT-CAR HANDLING IN YARDS

Application of 5,000 new valves authorized—Promise to save 70 per cent in release and 50 per cent in recharging time—Average combined saving of \$.038 to \$.065 per car switched in wages alone

The brake cylinder release valve which was described briefly in *Railway Age* of December 29, 1946, has been refined in some details and early this year was authorized for application to 5,000 cars in interchange service for practical railroad experience, according to a circular letter issued by the Association of American Railroads' Mechanical Division during the spring. The letter summarized results of a preliminary survey in yards on several railroads which indicated savings of 70 per cent in time required for releasing or "bleeding" present standard AB brake equipment; 50 per cent in recharging time regardless of train length; and \$.038 to \$.065 per car per switching operation in wages of train crew and car inspectors.

Bleeding Practices

In connection with bleeding cars, the letter points out that in the present AB brake equipment this is done by pulling the release rod and holding the release valve open until all the air is drained from the brake cylinder and from both the auxiliary and emergency reservoirs. With the brake-cylinder release valve, the cylinder alone is drained, the valve being set to complete the draining with a manual operation that is only momentary. In a recent test conducted under A.A.R. supervision on 24-ft. hopper cars, approximately 22 sec. per car was required for bleeding the present standard equipment and an 80 per cent time saving resulted from the use of the brake-cylinder release valve. From the survey, however, it appears that in ordinary practice the average time required per freight car is 30 to 35 sec. It is not unreasonable to expect a time saving of at least 70 per cent in ordinary practice with the brake-cylinder release valve, which will then require on the average only 9 or 10 sec. to bleed each car.

A prevalent practice is the blocking open of the release-valve rod handle to avoid waiting for complete release of the air in the system. This is undesirable since blocks often are not removed, causing trouble and delays in recharging and making brake tests on departing trains. Since there is no waiting required and no need for holding the release rod with the brake-cylinder release valve, this practice would disappear.

Even where blocking is admitted, the best bleeding time shown on the survey reports is approximately 24 sec. per car. In many yards bleeding is done during the inbound inspection, sometimes by the in-

spectors and sometimes by additional personnel. In the latter case, the services of special personnel could be dispensed with, since it would require only a momentary pull of the release rod and it is customary to require car inspectors to carry this out as a part of their regular duties. In such cases where the inspectors now do the bleeding there is a possible time saving of about 22 sec. per car, or about 6 hr. per 1,000 cars handled. This can be converted either to a saving in personnel or to speeding up yard operation.

In cases where bleeding is not combined with an inbound inspection, the time required for the operation is often critical, since switching or humping must wait until the process is completed. Generally, special personnel is assigned to this job. The saving possible with the brake-cylinder release valve is quite pronounced, whether it is figured in personnel or operating time, or both. A given number of cars can be bled either in one-fourth of the time now required or in the same time with one-fourth the personnel. In a yard handling 1,000 cars per day, approximately 6 to 7 man-hours can be saved. If bleeding is done by a single man for each train in the same yard, there is a potential operating time saving of 6 to 7 hours per day, which should increase operating speed and efficiency considerably. Based on current straight-time wage scales for car inspectors, there would result a saving of approximately \$.008 per car per operation.

In some yards, the bleeding is done by the switching crew. This means that during the time cars stand idle for this operation not only are the conductor and his men tied up but the switch engine and its crew as well. In one yard where some 2,200 cars are classified daily, a time saving of about eleven and one-half hours is indicated, and this reflects both toward a saving in personnel and a speeding up of operations. The economic saving could amount to as much as \$.035 per car per operation.

In yards handling fewer cars and in local freight service where switching is done along the line, the personnel and operating time saving, of course, depends on circumstances, but in most cases movements could be expedited to a considerable degree. For example, in bleeding ten cars to be cut out of a local freight, about 5 min. are generally required. This could be reduced to less than 1½ min. with a saving of 3½ min. on the operation. Multiplied by the number of times this might occur on a run, the saving becomes quite appreciable.

It is in recharging cars after classification that the

major advantage of the brake-cylinder release valve shows up. Since this valve releases the air in the brake cylinder alone, the reservoirs are left charged to about 60 lb per sq. in. Even when the time between bleeding and recharging covers a period of several hours, under normal leakage conditions enough air will remain in the reservoirs to reduce the recharging time by at least 50 per cent on any train.

Generally speaking, it requires 12, 18, 30, 40 and 60 minutes to charge trains of 25, 50, 75, 100 and 125 car lengths, respectively, to the point where a brake test can be made. A saving of 50 per cent of this time in delay to departing trains in many yards is a matter of substantial importance. In a classification yard now adequate for maximum traffic conditions and dispatching ten trains of 75-car length, the saving would be 15 min. per train, or 2½ hrs. per day.

Considering the crews, motive power and yard facilities tied up as well as the delay in train time, this is an important saving. In fact, on a straight-time basis at current wage scales, the expenses of crew and car inspectors alone would amount to \$22.00 to \$24.00 per day, or about \$.03 per car despatched.

Many large yards have yard-charging plants connected to their outbound tracks. These installations are expensive to install, maintain and operate, and in many cases they are so unreliable in the winter months that they are seldom used. It is conceivable that the faster recharging time available with the brake-cylinder release valve would make many yard-charging plants unnecessary.

In some yards covered in the survey, the outbound assembly tracks are of insufficient length to accommodate the average departing trains. In these yards trains are doubled over on the lead track where they are charged. Since this operation blocks a portion of the yard, the time required for recharging is extremely critical.

On expedited movement through classification yards, or in other cases where the time between bleeding and recharging is relatively short, the possible saving in charging time with the new valve is even greater than 50 per cent. If the time is cut to one or two hours, this saving increases to about 75 per cent. Many such expedited operations deal with high-class freight where time saving is extremely important.

Where a terminal yard is now found to be so badly congested as a result of delays to departing trains as to be considered inadequate for the traffic handled, the obvious correction is an expansion of the size and facilities of the yard by a major capital expenditure.

Thereafter the insulation must be maintained in good times or bad. How, then, can an estimate be made of the value of a simple device on each car, if such a device would more than restore the adequacy of the present yard for maximum traffic and at the same time expedite the movement of cars over the railroad as a whole and increase the availability of equipment?

The charging-time saving in local freight operation is difficult to evaluate since cars picked up have often been set out for comparatively long periods during which leakage has had time to reduce or deplete the

air pressure left in the reservoirs. Most AB equipments are capable of retaining air over a period of days when brake-cylinder leakage is not a factor. It is safe to conclude, however, that on the average there would be a substantial reduction of the delays to train movement resulting from waiting for the added cars to charge at local points between terminals.

Reduced Air Consumption

When the present AB brake equipment is bled, all the air in some 6,000 cu. in. of reservoir volume is exhausted. Assuming that, on the average, 45 lb. per sq. in. or three atmospheres pressure can be retained in the reservoirs to the time of recharging, there is another economic advantage to the use of the brake-cylinder release valve. In a yard classifying 1,000 cars daily, this amounts to a saving of compressing 10,000 cu. ft. free air per day. The cost of this air, of course, depends on whether it comes from a locomotive or a stationary compressor, and also on what main-reservoir or storage-reservoir pressure is used, but as a comparison it would require the work of an 8½-in. 150-cu.-ft.-per-min. cross compound compressor working at its rated capacity for about 1 hr. and 10 min., and this does not take into account any line leakage taking place during the time for charging.

Summary

From the above analysis it appears that there would be an average combined saving with the new valve of at least \$.038 per car per switching operation in straight-time wages of train crew and inspector personnel, and that this figure might be as high as \$.065 in some yards. This does not at all take into account the indefinite but important saving resulting from the increase in yard capacity, speeding up of the overall movement of trains, and reduction in the economic hazard of trying to regain lost time. Assuming that the average freight train is involved in 200 switching movements per year in which the air is now bled from the brake system, a tangible saving of at least \$7.60 per car per year is indicated. The current price of the brake-cylinder release valve is \$24.75 and it has been estimated that the total cost per unit to the railroads, installed on a car, will average \$31.00.

I. C. PAYS \$530,000 FOR IDEAS

Employees of the Illinois Central have received cash awards totaling more than half a million dollars during the past nine years for suggestions submitted and adopted by the railroad. H. C. Marmaduke, representative of the executive department and manager of the road's suggestion system, reports that 250,495 ideas have been considered, of which 42,786 have been approved. The I. C. awarded \$80,770 in 1947, bringing the nine-year total to \$530,000. One employee has received 261 cash awards and 13 others have won more than 100 awards each. Payments are made, when possible, in a fixed ratio to the saving or gain made by applying the idea.



Merrel P. Callaway

M. P. CALLAWAY ELECTED CHAIRMAN OF REORGANIZED CENTRAL OF GEORGIA; M. J. WISE PRESIDENT



Marion J. Wise

The reorganization of the Central of Georgia, which had been in receivership from December 19, 1932, to August 9, 1940, and in trusteeship since the latter date, became effective on July 1, as noted in *Railway Age* of July 3, page 50. With the restitution of the property to private ownership, Merrel P. Callaway, sole trustee since 1942, was elected chairman of the board, and Marion J. Wise, executive vice-president since 1947, was elected president.

A proposed plan of reorganization calling for a reduction in capitalization from approximately \$112,000,000 to \$84,000,000 and a reduction in annual fixed charges from \$3,350,000 to \$610,000 was filed by the trustee on January 28, 1944. In November of that year an Interstate Commerce Commission examiner recommended a plan similar in most respects to that filed by the trustee, except for a reduction in capitalization to \$68,000,000. On November 6, 1945, the commission approved a reorganization plan which, except for small changes, was the same as the trustee's plan. The plan was approved by the district court in June, 1946, and confirmed on July 15, 1947. (See *Railway Age* of July 21, 1945, page 113, and November 24, 1945, page 879, for the main provisions and a subsequent modification of the plan.)

Mr. Callaway's Career

Mr. Callaway was born in Mitchell county, Ga., on November 26, 1872. He was graduated from Mercer University, Macon, Ga., with a bachelor of laws degree in 1898, after which, until 1901, he was engaged in the fire insurance business. In 1901 he was admitted to the Georgia bar. Mr. Callaway practiced law at Macon and for a number of years represented various railroads before the I.C.C. as special counsel at Washington, D.C. He returned to Macon in the banking business. From 1919 to 1942 he was vice-president of the Guaranty Trust Company of New York, returning to his home state in the latter year as trustee of the C. of Ga., which position he held until his recent election. Mr. Callaway will continue

to serve as trustee of the debtor's property until pending matters are adjusted and the trusteeship is finally terminated.

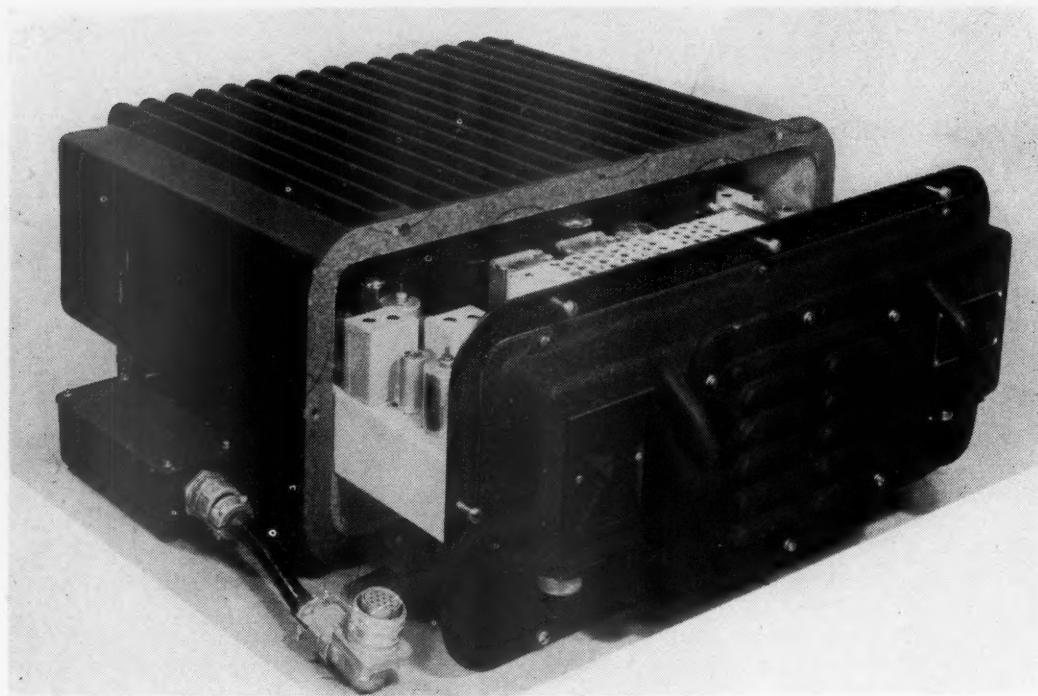
Marion J. Wise, the new president, succeeded T. Mayhew Cunningham, who had been president since April 14, 1942. Mr. Wise was born in St. Louis, Mo., on August 16, 1883. He entered railroad service in 1901 as a clerk in the general freight traffic office of the Mobile & Ohio (now part of the Gulf, Mobile & Ohio) at St. Louis. From 1903 to 1907 he was secretary to the general manager and chief clerk to the superintendent of transportation at Mobile, Ala. During the next four years he served as chief clerk to the M. & O.'s general manager at Mobile.

The New President's Background

In 1911 Mr. Wise worked for the Southern Railway in Mississippi (now the Columbus & Greenville), as superintendent at Columbus, Miss. Two years later he was appointed assistant to the general manager of the M. & O. and Southern in Mississippi. During and after the first world war, Mr. Wise was staff officer in charge of operations of several railroads and also served with the United States Railroad Administration as assistant director, Division of Purchases, and manager, Department of Materials and Supplies. In 1923 he joined the Southern Pacific as an officer on the staff of the president at San Francisco, Cal. In 1925 he was transferred to Houston, Tex., in the same capacity. From 1926 to 1932 he was assistant to the vice-chairman at New York, and, in the latter year, he transferred to San Francisco as assistant to the president, which position he held when he joined the Central of Georgia on October 1, 1943, as vice-president, development, and president of the Ocean Steamship Company, a C. of Ga. subsidiary. On October 21, 1947, he was promoted to executive vice-president. As chief executive officer of the trustee, he had general jurisdiction over all departments of the railroad.

(Continued on page 44)

RADIO BIG SUCCESS FOR RAILROAD COMMUNICATIONS BETWEEN DISTANT CITIES



Exterior view of one of the frequency-modulated radio transmitter-receivers used in the tests

Southern Pacific obtains exceptional results in telephone and teletype transmission tests over 44-mi. link between San Francisco, Cal., and San Jose

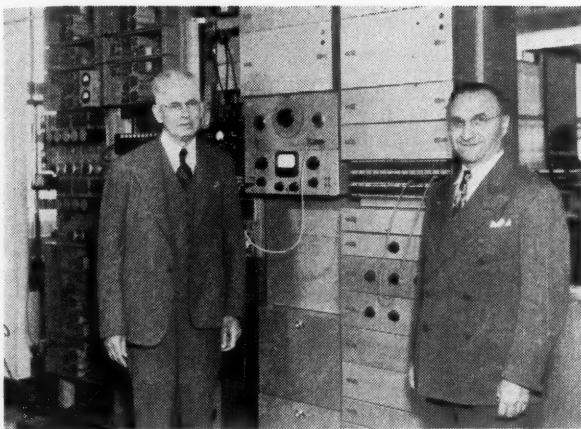
Experiments in which simultaneous transmission of telephone, telegraph and teletype communications over a radio link were successfully demonstrated have been conducted by the telegraph department of the Southern Pacific, which has been assisting the radio industry in pioneering the railroad field. Despite the limitations of the so-called "line-of-sight" characteristics of the very high frequency used, the tests were carried to a successful conclusion between the Southern Pacific general offices in San Francisco and its station in San Jose.

The culmination of the extensive research and experimentation undertaken in 1947 was not achieved without set-backs during the development stage. The major problem was to overcome the difficulties of fading and noise in the communication system, so as to obtain a strong radio transmission path between the two cities. This was largely accomplished by determining the most suitable type of practical antennas, which required considerable investigation.

The experimental program was initiated by train-to-fixed station tests over various operating routes, as well as fixed station-to-station tests between the road's general office building in San Francisco, and its stations at San Jose and Sacramento, 44 and 77 air-line miles, respectively. Very-high-frequency FM radio transmitters and receivers, operating in the 160-megacycle band, furnished by the Sperry Gyroscope Company, were used for this purpose.

These tests proved so satisfactory from a radio communications standpoint that six-channel telephone carrier terminals, furnished by the Lenkurt Electric Company, were installed at each end of the 44-mi. San Francisco-San Jose link, and an operating test was made over a period of about 30 days. Five of the carrier channels were used for telephone service and the sixth was used for five telephone ringing channels and two teletype channels. Since 16 telegraph or signaling channels could be superimposed on one carrier telephone channel, nine more teletype channels could have been provided if desired.

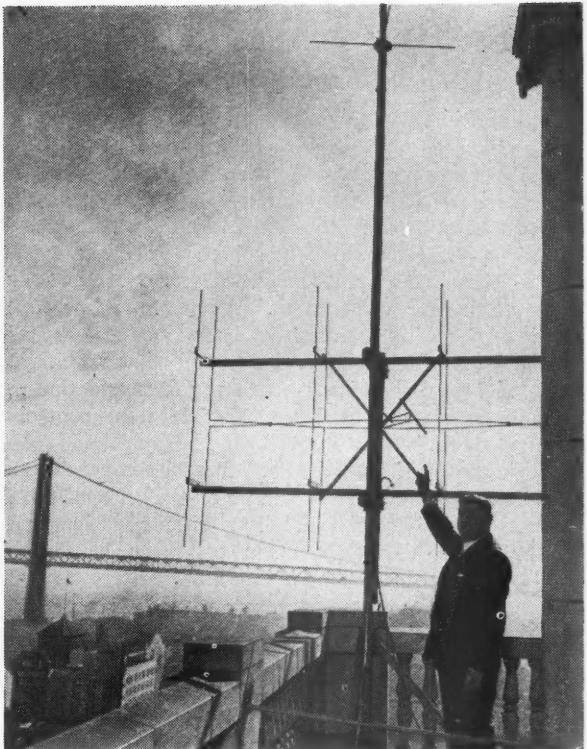
Of the two teletype channels, one replaced a wire circuit between San Francisco and San Jose, and the second was repeatered at San Jose for wire connection to a teletype machine at Watsonville, 100 mi. south of San Francisco. An interesting feature of the tests was the patching together of telephone channels one and five at San Jose, thus making it possible to talk over an 88-mi. radio loop from two telephones at San Francisco.



Above—A. W. Flanagan (left), superintendent of telegraph, and A. E. DeMattei, assistant superintendent of telegraph, of the Southern Pacific, standing beside carrier system terminal equipment

Right above—W. R. Birt, assistant superintendent of telegraph of the Southern Pacific, pointing to antenna atop the Southern Pacific building in San Francisco

Right below—Map of the area in which the radio-link tests were made, showing the 44-mi. transmission path between San Francisco and San Jose



Considerable investigation was involved in devising the proper type of antennas for the radio communication system. This is discussed here from a semi-technical standpoint, primarily to indicate only what complicated procedures actually take place behind the scenes in a development project of this kind.

For the initial tests, quarter-wave, vertically-polarized antennas were used, but did not prove satisfactory over the 44-mi. transmission path which is considerably beyond line of sight, characteristic of radio transmission at 160 megacycles. A half-wave element parasitic-directive antenna was installed at San Francisco, with the original quarter-wave antenna remaining at San Jose. An improvement of carrier-signal strength was immediately noted. The next step involved the construction and erection of an eight-element directive antenna at San Francisco, and the removal of the five-element antenna to San Jose. This resulted in a still further improvement in signals. Finally, sixteen-element directive antennas with a measured gain of 15.7 decibels, producing an effective power increase of approximately 1,000 times, were used at each end of the radio link, with exceptional results. If a permanent radio link between San Francisco and San Jose were installed, the only change necessary would be the erection of a pole or tower approximately 90 ft. in height for supporting the antenna at San Jose.

These radio and carrier equipment tests were made under the direction of A.W. Flanagan, superintendent of telegraph, in collaboration with the engineers of the Lenkurt Electric Company and the Sperry Gyroscope Company. Complete details of the tests and equipment were published in the February, 1948, issue of Railway Signaling.



WAGE-CASE SETTLEMENT

(Continued from page 35)

the following day.

In doing so, the secretary issued a statement saying that "nothing unusual has occurred during the two-months period of Army control," that "railroad car supply and distribution has remained normal, and the public has been adequately served" by the railroads. "The satisfactory continuance of rail operations during this period has been in large measure due to the high degree of cooperation by both labor and management. I express my appreciation to both, as well as to the officers of the Army—both regulars and those on temporary duty—who have assisted in the control of the railroads."

It is expected that the settlement between the government and the carriers will be on the basis of mutual release from financial liability. That was done after the end of War Department operation in January, 1944, and Secretary Royall has indicated his view that it would be the most satisfactory procedure in the present case.

The Army's operating organization was headed by its chief of transportation, Major General Edmund H. Leavey was in that post at the time of the seizure, but he was succeeded last month by Major General Frank A. Heileman. The operating plan conformed generally to that employed during the December, 1943-January, 1944, period of War Department control; commission

as Army colonels were given to seven railroad presidents who served as regional directors. They were Gustav Metzman of the New York Central, Eastern region; Roy B. White of the Baltimore & Ohio, Allegheny region; R. H. Smith of the Norfolk & Western, Pocahontas region; Ernest E. Norris of the Southern, Southeastern region; Ralph Budd of the Chicago, Burlington & Quincy, Central Western region; Charles E. Denny of the Northern Pacific, Northwestern region; J. D. Farrington of the Chicago, Rock Island & Pacific, Southwestern region. Brigadier General Andrew F. McIntyre, chief of freight transportation of the Pennsylvania, was recalled to active duty as chief, Railway Transport Service.

Justice Goldsborough's ban on the strike was continued in effect throughout the period of government control. This was done by replacing the original restraining order with a preliminary injunction which, in turn, was supplanted by a permanent injunction. The latter was issued by the justice on July 1 with an accompanying opinion which stated that he would have banned the walkout, upon application by the government, even though there had been no seizure of the roads.

The injunction was expected to be dismissed upon application of the Department of Justice, which handled the litigation for Secretary Royall. Meanwhile, the union leaders had appealed Justice Goldsborough's rulings to the Circuit Court of Appeals for the District of Columbia.

CALLAWAY AND WISE

(Continued from page 41)

Mr. Cunningham began his railroad career in the Central of Georgia's law department in 1892. He had been general counsel of the corporation since 1921 and counsel for the receiver and trustee since 1932. Mr. Cunningham, who will remain as a member of the board of directors and as counsel for the trustee, has been succeeded as general counsel by Alexander R. Lawton, Jr., whose father was for many years vice-president of the C. of Ga. and its president during World War I. At the time of his promotion Mr. Lawton was general solicitor of the railroad. George O'Donnell, who has been general attorney, is the new general solicitor. All other officers and department heads, elective and appointive, continue their respective duties without change.

The period of trusteeship was largely devoted to an extensive program of rehabilitating the property and strengthening the railroad in all the essentials of service. Successful accomplishment of the program is exemplified by the inauguration of two streamlined trains, the "Nancy Hanks II" between Atlanta, Ga. and Savannah, and the "Man o' War" between Columbus, Ga., and Atlanta; the purchase of new locomotives, freight, switching and passenger, Diesel and steam; the installation of centralized traffic control; the addition of new freight cars; the extension of automatic block signals; and the laying of heavier rail.

A.A.R. AIDS IN CONTAINER DESIGN

"The need for more concentration on packing, containers and methods of handling is self-evident in the enormous sums of money paid out by the nation's carriers and shippers for loss and damage during the past years.

"The latter is, needless to say, a drain upon the natural resources of the country and a waste of labor and materials which can be remedied by closer co-operation between shipper, container manufacturer and carrier.

"While an article is still in the blueprint stage, the designing engineer might find it profitable to consult the packaging engineer or the shipping department to ascertain whether or not changes should be made in the construction or design of the article to facilitate packing. Many failures to have a product arrive in the ultimate consumer's hands in good order can be attributed to the failure to provide proper and adequate inside packing or to select the right type of shipping container. And the (right type) does not necessarily mean a more costly one.

"The Freight Loading & Container Section of the Association of American Railroads has, over a period of years, been working closely with various shippers in endeavoring to assist them in their container and loading problems, as it is recognized that good carloading practices, plus properly-designed containers and inside packing, produce more satisfied customers. The section has prepared a number of pamphlets on the loading of a number of commodities in closed cars and several publications on boxing and crating information, which can be obtained by addressing the secretary, Freight Loading & Container Section, Association of American Railroads, 59 East Van Buren St., Chicago 5."

—H. R. Flynn, Chief of Laboratory, Freight Loading & Container Section

GENERAL NEWS

Rate Irregularities During War Denied

Negotiations between carriers and government upheld by Faricy

Charges by two government officers to the effect that the federal government was forced to deal solely with a four-man rate committee of the railroads with respect to freight rates during World War II, that there was "connection" during the war between the carriers and General Bennett E. Meyers and that the railroads exploited a "grandiose scheme to gouge the government" on shipments of war materials have been vigorously denied by William T. Faricy, president of the Association of American Railroads. The allegations were aired last week before a subcommittee of the House committee on expenditures in the executive departments at a hearing originally called in order to receive testimony with respect to the proposal of establishing a centralized federal traffic bureau. Representative Bender, Republican of Ohio, is chairman of the subcommittee.

In the first of two statements which he issued, Mr. Faricy described as "wholly untrue" the testimony of James E. Kilday, chief of the transportation and public utilities section of the Department of Justice's anti-trust division, that the government was forced to deal with a four-man rate committee, headed by A. F. Cleveland, former vice-president, traffic, A.A.R., on wartime freight rates. The government, Mr. Kilday had asserted, was forced to accept the rates prescribed by the committee on a "take it or leave it basis."

According to Mr. Faricy, the late J. B. Eastman, while director of the Office of Defense Transportation, asked the railroads in 1942 to set up a small committee "to expedite the handling of rate proposals related to the movement of war traffic," such committee to be made up of representatives of the A.A.R. and the eastern, western and southern lines. "The railroads were glad to accede to Mr. Eastman's request," Mr. Faricy said, "but to guard against some such irresponsible attack as Mr. Kilday now makes, they insisted that the arrangements for such a committee be submitted and approved by the Department of Justice. This was done and the arrangement outlined was approved by Thurman Arnold, then assistant attorney general, in a letter of July 22, 1942."

Mr. Faricy declared that "it definitely is not true," as stated by Mr. Kilday, that because of such action "the government was denied the right of shopping around for the lower rates." "That right," Mr. Faricy commented, was expressly reserved to any and all government agencies in setting up the arrangement for a central committee for the government's convenience. Generally speaking, the government agencies dealt with the committee because it was more convenient and satisfactory to do so rather than to attempt to deal separately with each one of the hundreds of different railroads."

Mr. Faricy said that the so-called central committee of railroad traffic men, at the request of government agencies, made reductions for the government involving "many thousands" of freight rates. "In no instance," he continued, "was the government charged more than commercial shippers and in most instances it was charged less. The government enjoyed the advantage of these many rate reductions. Now that the war is over, and the job is done, the Department of Justice not only is seeking to retain the benefits of these negotiated rates, but is asking the Interstate Commerce Commission to reduce retroactively many of such rates where the department thinks that further advantages can be gained. It has accordingly brought a series of complaints before the commission seeking to recover what it alleges are overcharges."

Charges Are "Vague"

The A.A.R. president said that, insofar as the complaints are concerned, the railroads are ready to defend them on the facts and the record. "The Department of Justice has delayed bringing the cases to trial," he added. "Instead, Mr. Kilday indulges in vague intimations of criminality, although he admits that 'the only evidence of possible criminality is that these people came to us from the railroads and after the war they went back to the railroads.'"

Mr. Faricy conceded that former railroad employees, assigned to their service positions because of their past technical experience, were among the many Army and Navy officers who dealt with rate revisions for the government during the war. "Almost without exception," he went on, "their acts were under the direct supervision of, and were subject to review by, officers who were not railroad employees, and had no connection with railroads . . ."

Mr. Kilday, according to Mr. Faricy,

is "equally in error" as to the operations of the so-called four-man committee. "Mr. A. F. Cleveland, then vice-president of the A.A.R., acted as *ex-officio* chairman of the committee with no power to vote, his sole function being to channel government requests expeditiously and to issue reduced rate quotations, when authorized to do so by the individual railroads concerned or by the special committee. Mr. W. J. Kelly [traffic officer of the A.A.R.] to whom Mr. Kilday also refers, acted as secretary of the committee, also without a vote. The statement that Mr. Kelly 'has taken over Mr. Cleveland's role in negotiating government rates' is not true. The committee has not been in existence since February 1, 1946, shortly after the close of the war."

Names Committee Personnel

Mr. Kilday hurled his charges while presenting before the subcommittee a detailed statement embodying information with respect to the investigation now being conducted by the D. of J. concerning the rates and charges paid by the government on its wartime freight and the proceedings brought before the commission as the result of that investigation. The four-man committee, he said, consisted, in addition to Mr. Cleveland as chairman, of "a Mr. Kerr, representing the southern railroads, a Mr. Dana, representing the western railroads and a Mr. Burgess, representing the eastern railroads." [J. G. Kerr is chairman of the Southern Freight Association; W. H. Dana is chairman of the Western Traffic Executive Committee; and E. H. Burgess, vice-president and general counsel, Baltimore & Ohio, was formerly chairman, Traffic Executive Association, Eastern Territory.]

According to Mr. Kilday, the operating revenues of the railroads between 1942 and 1946, inclusive, were \$42,736,795,218, of which amount, he said, the federal government paid a "substantial portion." His assertion that many of the men who set wartime freight rates for the government "came from the railroads and returned to railroads after the war" led the subcommittee chairman to ask, "Are you suggesting they were hell-bent to flim-flam the government?"

Mr. Kilday replied that "it was a case of government personnel dealing with a thoroughly organized and centralized industry." At the same time, he told the subcommittee that he urged the Federal Bureau of Investigation to probe the rate making activities of officers in the War and Navy Depart-

ments, recommending that "they be looked into criminally." Contending that the Army and Navy often shipped the same commodity to the same destination, but at a different rate, he said that a centralized federal traffic bureau, backed by a strong prosecuting arm, could save the government "millions of dollars." "In other words," he continued, "the government must make available and maintain an adequate staff of trained people to strengthen the hand of the government's representatives entrusted with the function of negotiating rate adjustments. Otherwise, our experience indicates rate adjustments in the present or any future emergency will be no more satisfactory than those accorded by the railroads to the government during the recent war."

Mr. Kilday also inserted into the record excerpts from a memorandum which he said was addressed by Mr. Cleveland to a member of the four-man committee and in which he said the former A.A.R. officer stated that "it is my position and a position which I think we should adopt that we shall make these Section 22 quotations (contract rates accorded the government) if we think they should be made and that they can take them or leave them. We will write these things as we see fit and the government can take them or leave them."

General Meyers' "Role"

Charges that General Meyers, now serving a prison sentence, had a wartime connection with the railroads and that the carriers exploited a "grandiose scheme to gouge the government" on shipments of wartime materials were made by T. F. Proctor, transportation analyst in the office of the solicitor, Post Office Department, and a former employee of the Atlantic Coast Line. These allegations also were denied by Mr. Faricy.

"The insinuation that there was some connection between the railroads and . . . General Meyers is pure invention," Mr. Faricy said, adding that "any insinuation to that effect was apparently dragged in by a witness to lend color to a wholly untrue story." At the same time, he declared that the allegations that the railroads "gouged" the government on war freight are "neither new nor true."

"They have been made in numerous press statements by the Department of Justice and in a series of complaints filed by that department before the . . . commission," the A.A.R. officer continued. "Hearings on these complaints have been postponed at the instance of the department. The railroads are prepared to show that there was no instance in which the government was charged more than commercial shippers, while in most instances it was charged less. Many thousands of rates were reduced during the war for the government . . . at the request of the Army, the Navy and other government agen-

cies. . . Any statement that the railroads gouged the government on wartime freight charges is the exact opposite of the truth." Mr. Proctor, who served as senior transportation specialist in the Army Transportation Corps in 1943 and 1944 and as transportation analyst in the D. of J. in 1945 and 1946, said that "as long as General Benny Meyers was running the Air Forces Materiel Command at Patterson Field, Ohio, the Army Transportation Corps and the Air Forces traffic people in Washington were relegated to a position of secondary importance in traffic matters," adding in part that "in one instance there were three separate and distinct army transportation offices in one building in one city. General Meyers had one office, the Air Forces traffic section had one and the Army Transportation Corps had the third office."

Among other things, he also charged that (1) the railroads persuaded the motor carriers to join them in "rigging" rates on government shipments; (2) the commission failed to institute an investigation into the rates on government shipments, although it had authority to do so; and (3) although a "few distressed" Army and Navy officers quarreled with the railroads at various times with respect to the unreasonableness of the rates, "the railroad rate people would pay about as much attention to them as an alligator would pay to a mosquito."

According to Mr. Proctor, many Army and Navy officers who negotiated freight rates during the war were "furloughed railroad employees masquerading as officers . . . who have long since returned to the railroads at higher salaries than they received when they entered the service." Many of these same "furloughed" rail employees, he said, held railroad passes during the war and used same when traveling on official business.

Further Government Testimony

Mr. Proctor also told the subcommittee that the chief of the freight branch of the Army's traffic control division in 1943 and 1944 was a man who had been a minor solicitation representative for a "Chicago railroad" and who held the rank of lieutenant colonel in the Army. "He knew as much about freight rates as I know about the atom bomb," Mr. Proctor said, adding that the individual concerned was sent overseas in 1945 after a War Department civilian employee had written the Secretary of War that there was a "deplorable lack of control" over the rates and charges in the Army Transportation Corps. "That civilian was forced to resign," Mr. Proctor went on.

Another government employee, F. L. Barton, chief economist of the Bureau of the Budget, and now on loan to the Post Office Department in connection with the pending railway mail case, told the subcommittee that he

was instructed to cease a 1945 investigation of the wartime freight rates because Francis Biddle, attorney general at the time, was "to handle it personally." The order, he said, was issued by Mr. Kilday, adding that an investigation by the F.B.I. into possible criminal law violations by government officers who negotiated with the railroads on rate matters during the war (Continued on page 71)

Railroad Fair Opens at Chicago July 20

To feature 50 acres of exhibits, a pageant and narrow-gage line

The Railroad Fair at Chicago opens on Tuesday, July 20, at 10 a.m.

Thirty-eight railroads have combined to sponsor the six-week show which celebrates railroad progress on a national scale. Extending to Labor Day, September 6, the fair will feature, among many other things, an array of railroad and supply manufacturers' exhibits, a 1 1/4-hr. transportation pageant and an authentic Colorado narrow-gage line on which visitors may ride for a 10-cent fare. (Illustrated feature articles covering various phases of the fair will appear in next week's *Railway Age*).

A colorful parade offering a "peek" preview of what can be seen at the fair will pass through Chicago's "Loop" on July 19. In it will be motor-driven replicas of old-time railroad equipment, Indians, cowboys and other entertainers and military personnel. Mrs. J. L. "Casey" Jones, widow of the locomotive engineer of whom millions have sung, will also participate.

The official song of the fair—entitled "Wheels-a-Rolling" after the pageant title—is to be heard publicly for the first time on July 17 at 9 p.m. over Chicago's radio station WGN (720 on the dial). Broadcasts of name radio programs are scheduled to originate from the fair grounds at different times throughout the show's duration.

The highlight of the entire fair will be the pageant presentation four times daily, at 2 p.m., 4 p.m., 7:15 p.m. and 9 p.m. Some 220 professional performers, aided by much old-time railroad and other equipment, will be employed to trace the history of transportation from late in the 17th century to the modern railroads.

The Baltimore & Ohio, in preparation for its participation in the fair, assembled and moved over its lines, from Baltimore, Md., to Chicago, 31 pieces of historical equipment, which were exhibited at many points en route.

Some of these units of rolling stock will appear in the fair pageant, while the remainder will be exhibited elsewhere on the grounds.

As this issue of *Railway Age* went to press, those companies which planned

exhibits at the fair included 23 railroads and 26 railroad supply and service companies.

Rail-Barge Differentials Prescribed by the I.C.C.

Finds justification for joint rates below all-rail basis

Reporting on the long-pending No. 26712 and related proceedings, dealing with the general question of rail and barge joint rates, the Interstate Commerce Commission has set out what it has found to be "justified" differentials to be deducted from first-class all-rail rates between selected key points in determining the corresponding reasonable rail-barge, barge-rail, or rail-barge-rail first-class rates. Other class and column rates and commodity rates (not including commodities in bulk) would be determined on a percentage basis—except that the present barge-and-rail rates on sugar would not be affected.

Proposed Report Followed

The report by Commissioner Miller said that except for differences "in certain details," the commission's conclusions were "fundamentally the same" as those recommended by Examiner Howard Hosmer in his proposed report (see *Railway Age* of March 23, 1946, page 650). Thus the required set-up follows in general that sponsored by the government-owned Inland Waterways Corporation, operator of the Federal Barge Lines. Other findings of the report are that the establishment of through rail-water routes with rates subject to the prescribed differentials "is necessary and desirable in the public interest"; and that the barge-rail traffic over such routes is entitled to "the same transit arrangements as those which are available under the corresponding all-rail rates from and to the same points."

The commission deferred entry of an order and requested the respondent rail and water carriers to advise it within 90 days whether they would establish routes and rates "in substantial compliance" with the report's findings. This course was adopted because of the commission's expectation that the work of establishing the rates would indicate the desirability of "numerous minor deviations" from the differentials set out in the report. "Much time and expense," it said, "could undoubtedly be saved by avoiding the necessity of filing numerous petitions for modification of the order which otherwise would be necessary."

Generally speaking, rail-barge rates presently in effect are based on a 20 per cent differential under all-rail rates. The basic first-class differentials now prescribed by the commission are stated in cents-per-100 lb. for application be-

tween various key points, and they do not conform to any formula. Examples are as follows:

From New Orleans, La., to Detroit, Mich., Cleveland, Ohio, or Charleston, W. Va., via Cincinnati, Ohio, and to Milwaukee, Wis., via Peoria Ill., 42 cents; from Memphis, Tenn., to Fargo, N. D., via Twin Cities, 39 cents; from Cairo, Ill., to Denver, Colo., via Kansas City, Mo., 27 cents; from Chicago to Atlanta, Ga., via Cairo, 17 cents, and to Houston, Tex., via New Orleans, 42 cents; from Twin Cities to Knoxville, Tenn., via St. Louis, 22 cents; from Cincinnati to Mobile, Ala., via New Orleans, 34 cents.

The title case out of which the present report has come was an investigation instituted by the commission on its own motion in 1935 to inquire into the reasonableness and lawfulness of the existing rail-barge joint rates and through routes and to determine the necessity for the establishment of additional rates and routes. The related proceedings were formal complaints filed by the railroads assailing joint rates prescribed by the commission for application in connection with the three principal carriers on the inland waterways—I.W.C., Mississippi Valley Barge Line Company, and American Barge Line Company.

In finding justification for rail-barge rates differentially lower than the corresponding all-rail rates, the commission rejected the railroads' contentions that this issue should be determined on the basis of cost; and that the cost evidence supported the railroad demand for the elimination of differentials. The commission conceded that it could not find that "at the present time there are demonstrable economies in barge-rail transportation on the Mississippi river and its tributaries, which from the standpoint of cost of service would justify differentials." Nevertheless, it found in the legislative history of the Inland Waterways Corporation Act and the Denison Act indications that "Congressional policy" calls for rail-barge rates lower than all-rail rates.

In the light of these Congressional expressions, the railroad view that justification for differentials "must rest upon proof of lower cost of barge service" seemed to the commission "much too narrow." It also recalled that in no rail-barge rate case had it declined to prescribe or approve differential rates because the economy thereof "had not been affirmatively shown." The commission was also "unable to accept" the argument, based on the National Transportation Policy, that the inherent advantage of all-rail transportation over barge-and-rail service and the lower relative all-rail cost precluded a finding that differentials were justified.

"In the past several years," the commission said, "Federal has received continuing consideration by Congress-

ional committee on appropriations as well as others. It definitely appears from that consideration that Federal is deemed to be performing a pioneering function for the purpose among others of demonstrating the advantages of joint barge-and-rail transportation in the belief that such service eventually will prove economical. It is not for us to say that the experiment should now come to an end."

The report also noted that one factor in I.W.C.'s present costs is its "worn out and inadequate facilities," and that a modernization program was started in 1947. Attention was also called to the fact that the respondent barge lines have accepted "the burden of the differentials" in agreeing that railroad divisions of the joint rates should be equivalent to the all-rail rates to and from ports.

Another Claim Dismissed

Meanwhile, the commission had disposed of the claim that barge-line facilities are needed to relieve the railroads in times of peak traffic. "The sharp contraction of rail-barge traffic which occurred during the war weakens a contention often advanced in past years that joint rates on such traffic were needed in order to provide additional transportation facilities," the report said. Of the interest of Mississippi Valley shippers in joint barge-and-rail transportation, the commission said such interest "seems to relate not so much to an expansion in transportation facilities as to the influence of barge service on rates."

In connection with the exemption of rates on sugar from its findings, as noted above, the commission explained that the parties had agreed upon a voluntary adjustment of differentials on that commodity. "The barge-and-rail rates on sugar," the report added, "have a vital relation to the general competitive rate relationships on sugar from all producing points to mid-western consuming points, and we consider it highly desirable that no change in sugar rates be made as a result of our findings here."

At the end of the report which he wrote on behalf of the commission, Commissioner Miller appended an additional statement on his own behalf. There he conceded that the solution offered by the commission was "the best that this record affords," but he went on to suggest that the parties give consideration to the making of joint rail-water rates on the basis of principles used in constructing joint all-rail rates. The latter, Mr. Miller pointed out, bear a percentage relationship to the combination of locals between the points involved; and he would apply that percentage to the combined rail and barge factors in order to arrive at a joint rail-barge rate. Mr. Miller would also divide the revenues from joint rail-barge rates on the basis of divisions formulae applicable to corresponding joint all-rail rates.

"Evidently," he said, his plan "should not be prescribed on this record." He added: "It is here set forth with the thought that it may appeal to the parties and lead to subsequent agreement to its use. If such should be the case, much time and expensive litigation would be saved."

The report noted that Commissioner Patterson did not participate in the disposition of the proceedings.

Eastern Carriers Get Passenger Fare Rise

Boost seen yielding \$61 million in additional annual revenues

The Interstate Commerce Commission has authorized all Eastern district and Pocahontas region railroads to increase, on five-days' notice, their first class and coach fares to an extent estimated to yield approximately \$61,000,000 in additional annual revenues. The commission's decision, by Commissioner Rogers, came July 7—three months after the petition was filed—and was made public two days later. Commissioners Aitchison and Splawn dissented, but did not file separate expressions.

One-way coach fares will be increased in the affected territory from 2.5 cents per mile to 3 cents per mile, (except for the New York, New Haven & Hartford, on which road the increase will be from 2.875 cents per mile to 3 cents per mile), while one-way first class fares will be increased from 3.5 cents per mile to 4 cents per mile.

New Basis for Round-Trips

The commission also found to be just and reasonable the proposals of the carriers, other than those in the New England region, to increase their round-trip first class and coach fares generally in proportion with the increases approved with respect to the one-way fares and to revise their three-month limit round-trip fares so as to charge double the one-way basis for trips up to 225 miles, rather than 200 miles, as previously effective. As a result, the new round-trip first class fares will be approximately 4 cents per mile at 225 miles, declining to approximately 3.6 cents per mile at 700 miles, but protecting double the new one-way fare until it runs out. The new round-trip coach fares will be approximately 3 cents per mile at 225 miles, declining to approximately 2.28 cents per mile at 500 miles, again protecting double the new one-way fare until it runs out. Multiple ride fares (other than commutation fares) which are related to coach fares will be increased to the extent necessary to maintain the present relationship to the coach fares; however, in no case

will such fares be increased to exceed 3 cents per mile of travel, subject to a minimum fare of 15 cents per trip.

The commission's order also authorizes the Eastern railroads to (1) establish a minimum children's fare of 10 cents; (2) maintain the present rule for the disposition of fractions; (3) continue, except on the New Haven, the minimum fare of 15 cents in coaches; (4) increase the previously revised scale of coach fares, ranging from 16 cents at 4.6 miles to 38 cents at 14.1 miles, to a graded scale ranging from 19 cents at 4.6 miles to 46 cents at 14.1 miles, and (5) increase excess baggage charges by applying the present percentage scale to the new-one-way first class fares.

Applies Within Two States

The increases will be applicable both to points on the lines of the petitioners and to interline fares between stations on their lines and stations on connecting carriers. The commission's order also permits the same increases to be established with respect to intrastate fares within Michigan and Illinois, where intrastate fares are fixed by statute and are not under the jurisdiction of the respective state regulatory bodies.

The commission's report includes a tabulation of representative present and new fares. For example the one-way coach fare between New York and Philadelphia, Pa., 90 miles, will increase from \$2.27 to \$2.72 and the one-way first class fare from \$3.13 to \$3.58. From New York to Washington, D. C., 225 miles, the increases would be from \$5.62 to \$6.74 (one-way, coach), \$10 to \$13.48 (round-trip, coach), \$7.81 to \$8.93 (one-way, first class), and \$15.15 to \$17.86 (round-trip, first class), while from New York to St. Louis, Mo., 1,051 miles, the respective increases would be from \$26.62 to \$31.94, \$40.50 to \$48.60, \$36.98 to \$42.27 and from \$65.50 to \$76.10. None of the examples cited includes the 15 per cent federal tax.

The commission held that the record leaves "no doubt" that the affected carriers are in need of additional revenue. It said that although the new one-way and round-trip first class fares average about 33-1/3 per cent and 30 per cent, respectively, higher than those prescribed in 1936 and that although the new one-way and round-trip coach fares average about 50 per cent and 30 per cent, respectively, higher than those prescribed that same year, the approved rates will still be "relatively low" in relation to (1) the price level generally; (2) the railroads' increased expenses; (3) various items in the traveler's budget, such as food and lodging; and (4) the prices of private automobiles, fuel, repairs and parking fees.

Passenger Business Losses

The commission noted that the petitioners' net railway operating income

deficit of \$198,600, from passenger operations in 1947 was the greatest in history, despite the fact that the passenger volume was the highest of any peacetime year except 1946. It went on to report that although the carriers' commutation travel increased from 4.6 billion passenger-miles in 1946 to 4.8 billion passenger-miles in 1947, travel at standard and multiple fares declined from 25.7 billion passenger-miles in 1946 to 19.2 billion passenger-miles in 1947 and that, in the Eastern district, the passengers per car and per train declined from 27.8 and 159.7, respectively, in 1946 to 24.2 and 134.2 in 1947.

At the same time, it was pointed out that the petitioners' expenses, based on 1946 operations, have increased by \$427,300,000 since July 1, 1947, including \$273,000,000 in wages, \$16,700,000 in payroll taxes and \$137,600,000 in fuel, material and supplies. In this connection, the commission also noted that the carriers' operations were adversely affected by the severe winter of 1947-48 and the coal strike during March and April of this year.

According to the report, the carriers advised the commission that, on the basis of 1948 operations, the increases in fares will yield about \$61,000,000 in additional annual revenues, thereby enabling them not only to make up the \$50,000,000 decline in revenue which they would otherwise suffer due to the decrease in traffic, but also to secure an additional \$11,000,000.

The commission also observed that the principal Eastern passenger-carrying roads—the Baltimore & Ohio, New York Central, Pennsylvania and New Haven—all anticipate decreases in 1948 in their revenue passenger-miles, as compared with 1947. "In this gloomy picture," the commission commented, "there is only one ray of light, namely, that after nearly two years of decline in petitioners' passenger fare revenue as compared with the corresponding period of the previous year, the first quarter of 1948 showed an increase in revenue over the first quarter of 1947, in spite of a decline in volume. Thus, during the first quarter of 1948, as compared with 1947, the petitioners' revenue passenger-miles declined . . . by 7.7 per cent, while their passenger fare revenues increased from \$116,200,000 to \$121,300,000, or by 4.4 per cent."

Outlay for New Equipment

The commission also pointed out that the railroads have resumed at an accelerated rate their pre-World War II practice of investing substantial sums in new and reconditioned passenger equipment, and in this respect noted that the petitioners' outlay for new passenger equipment has increased from \$1,200,000 in 1944 to \$32,200,000 in 1947. "However," it added, "due to delays in the filling or orders . . . improvement in the petitioners' service has not

progressed as rapidly as they have wished, resulting in much criticism from the traveling public."

"Petitioners have lost some of their long-distance Pullman travel to the air lines, principally due to the shortage of 'room cars,' but it is expected that much of this shortage will be alleviated during the next few months when this traffic should be regained," the commission said. "Fares of one form of regulated transportation cannot be kept at a noncompensatory level solely to meet the competition of other regulated forms, if as the [Interstate Commerce] Act requires, it is to be administered so as to 'preserve the inherent advantages of each.' The most important factor, of course, particularly with the increasing production of new cars, will be the competition from the private automobile, although the level of the rail fare is frequently only one of many considerations in determining whether a traveler will go by rail or his private car."

Federal Government Cannot Sue Itself

Court so rules in dismissing Norfolk wharfage complaint

Holding that the United States cannot sue itself, a statutory three-judge federal court has dismissed a complaint wherein the Department of Justice sought to have set aside an Interstate Commerce Commission ruling that the railroads' refusal to make an allowance for wharfage and handling services performed by the Army with respect to its World War II shipments moving over its piers in Norfolk, Va., was not an unjust and unreasonable practice. The court, which filed its opinion with the clerk of the United States District Court for the District of Columbia, consisted of Associate Justices McGuire and Holtzoff of that court and Associate Justice Clark of the United States Court of Appeals for the District of Columbia.

Because of the foregoing ruling, the court's decision (written by Justice Holtzoff) did not reach the merits of the case. It pointed out, however, that its dismissal of the complaint does not leave the United States without a remedy, because section 9 of the Interstate Commerce Act provides alternative means of seeking reparations—one through complaint to the I.C.C., which was the government's approach in the present case, and the other through suit against the railroads for damages in any federal district court of competent jurisdiction. The latter approach is still open to the government, the court suggested.

Leading up to its determination that the case was one wherein the United

States was suing itself, the court noted that the statute regulating actions to review orders of the commission (U. S. Code, title 28, sec. 46) stipulates that such actions "shall be brought . . . against the United States." In conformity with this, the complaint named the United States both as the petitioner and as the defendant. As to the inclusion of the I.C.C. as a co-defendant, the court said "there seems to be no warrant in the law for this course." The law, it added in a footnote, "authorizes the commission to intervene, but does not provide for making the commission a party defendant originally."

"The United States," the court continued, "is not a mere nominal party defendant. The legislative history of the above-mentioned statute demonstrates that the Congress deliberately and intentionally provided that such suits should be brought against the United States and that this requirement was no inadvertence . . . The provision was debated at length on the floor of each house. These discussions clearly indicate that it was the intention of the authors of this legislation that the attorney general of the United States should appear in behalf of the United States, and defend the action of the Interstate Commerce Commission. Attempts were made to modify this provision in order that the action might be brought against the Interstate Commerce Commission, rather than against the United States, but these endeavors were defeated.

"It is clearly, therefore, the duty of the Department of Justice to defend the order of the Interstate Commerce Commission. Necessarily, the department may not be on both sides of the case. Yet an examination of the petition filed by the United States, and of the answers filed in its behalf, indicates that both pleadings were signed by the same assistant attorney general . . . Naturally there cannot be a controversy if the same party is both plaintiff and defendant. If attorneys representing the Department of Justice appear on both sides of the same case, there is no actual controversy, but merely a discussion or debate of a moot question.

Justice Department's Duty

"It is the view of this court, therefore, that this action may not be maintained. . . . This conclusion is accentuated by the fact that it is the duty of the Department of Justice under the statute to defend the action of the Interstate Commerce Commission. The cases on which the government relies are not in point."

The commission's decision was noted in the *Railway Age* of August 30, 1947, page 57. As reported there, the controversy arose on June 15, 1942, when the Army took over certain Norfolk piers formerly operated by a public wharfinger whose charges were absorbed by the railroads. When the

Army took over, the carriers refused to make it an allowance equivalent to the previous absorption of 4 cents per 100 lb., the refusal having been based on the applicable tariffs which restricted the holding-out to load and unload carload export freight to that moving over so-called public piers, i.e., piers operated by railroads, steamship companies, or public wharfingers. The government's claim, which the commission denied, was the reparations at the rate of 4 cents per 100 lb. on all the freight on which the Army performed its own pier services.

Shippers Pay Tribute to Kendall

At its regular meeting on June 25 in Seattle, Wash., the Pacific Northwest Advisory Board paid tribute to Warren C. Kendall, who, because of illness, is on leave of absence from his post as chairman of the Car Service Division, Association of American Railroads. In a resolution expressing appreciation for his services, the board cited Mr. Kendall for "many years of faithful service in the interest of efficient rail transportation, characterized by high integrity and by a keen understanding of the fundamentals involved from both shipper and railroad viewpoints", and expressed hope for his early return to the A.A.R.

The board also thanked the railroads for "service far beyond their normal obligations" during the recent flood in the Pacific Northwest.

No Canadian Railroad Strike; Employees Get 17-Cent Increase

The Canadian railroad strike threatened for July 15 was called off on July 14. The unions and the railroads have agreed to accept a wage increase of 17 cents an hour, retroactive to March 1, according to an announcement by Humphrey Mitchell, minister of labor, who had been in charge of negotiations undertaken last week in an effort to break the deadlock between union and railroad representatives.

Union leaders originally had made demands for an increase of 35 cents an hour and subsequently rejected a government conciliation board's award of a 7-cent increase. Earlier this week the union leaders had reduced the demanded increase to 19 cents. The 17-cent increase, it was estimated, will cost the railroads about \$75,000,000 a year. An additional increase in freight rates will soon be requested by the railroads, it is expected.

Palmer Resigns as New Haven President, Effective August 12

Howard S. Palmer has resigned as president of the New York, New Haven & Hartford, effective August 12, it was announced this week. Mr. Palmer was elected president of the New Haven in November, 1934, and, during the road's

reorganization, which continued from June, 1935, until September, 1947, he served as one of three court-appointed trustees.

Rumors that Mr. Palmer intended to resign began to appear following recent claims by Frederick C. Dumaine, Boston, Mass., financier, that he and his associates had acquired enough of the voting preferred stock to enable them to control the railroad. The date set for Mr. Palmer's retirement also is the date of the first stockholders' meeting to be held since the road emerged from reorganization. At the meeting, it was reported, an entirely new slate of directors, selected by Mr. Dumaine, will be submitted to the stockholders. It was stated in Boston that the new president will be Lawrence F. Whittemore, president of the Federal Reserve Bank of Boston and previously assistant to the president of the Boston & Maine.

Suspends C. of N. J. Proposed Commutation-Fare Increases

The Interstate Commerce Commission has suspended from July 5 until February 4, 1949, the operation of tariffs whereby the Central of New Jersey proposes to increase its commutation fares. The commission will investigate the proposal in a proceeding (I. & S. Docket No. 5585) which has been assigned for hearing before Examiner Burton Fuller on July 29 at the St. George Hotel, Brooklyn, N. Y.

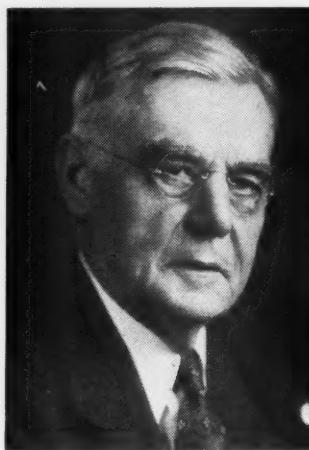
As noted in the *Railway Age* of June 26, page 131, the proposed increases would vary up to a maximum of less than 12 cents a trip, depending on the type of ticket and length of haul. They are designed to offset increases in the out-of-pocket costs of operating the commuter service.

Lawford H. Fry, Locomotive Institute Director, Dies

Lawford Howard Fry, former director of research of the Steam Locomotive Research Institute, New York, died at Mount Vernon, N. Y., on July 11. Mr. Fry, who retired on July 1, was born at Richmond, Que., Canada, on June 16, 1873. He was educated in private schools in the United States, Canada, and England; City and Guilds of London; Technical College, London (1893); the University of Göttingen (1894), and Hannoversche Technische Hochschule (1894-97). He began his career in 1897 in the erecting shop of the Baldwin Locomotive Works, Philadelphia, Pa., where he became engineer of tests in 1904. Later the same year he was appointed technical representative of the Baldwin Locomotive Works in Europe. He returned to the United States in 1913 and thereafter was metallurgical engineer of the Standard Steel Works Company until 1930 when he became railway engineer for the Edgewater Steel Company, Pittsburgh, Pa. He resigned in 1943 to be-

come director of research for the Steam Locomotive Research Institute.

Mr. Fry was an affiliated member of the Mechanical Division, Association of American Railroads, a member of the Iron and Steel Institute, and a fellow of the American Society of Mechanical Engineers, from which he received the Worcester Reed Warner Medal in 1938 for "written contributions relating to improved locomotive design and utilization of better materials in railway equipment." He had also serv-



Lawford H. Fry

ed on the Executive Committee of the American Society for Testing Materials. He was a member of the Institution of Mechanical Engineers, the Institution of Civil Engineers, and the Institution of Locomotive Engineers in England. He was also a member of the Soc. Ing. Civils de France. Mr. Fry was the author of numerous contributions to technical papers and societies and of "A Study of the Locomotive Boiler."

New Plan for Handling Mail Proposed by Postmaster General

Several modifications of present arrangements for the handling of mail on the railroads are embodied in a "comprehensive plan for the transportation of mail" which has been filed with the Interstate Commerce Commission by Postmaster General Donaldson as part of his presentation in the railway mail-pay proceeding. He has also filed an answer to the recent railroad petition which raised from 45 per cent to 65 per cent the permanent mail-pay increase being sought (see *Railway Age* of July 3, page 40).

The proposed new plan for the transportation of mail is a document of 13 mimeographed sheets. Among its important features are those which would modify arrangements for so-called storage space service, i.e., the transportation and handling of made-up mails in bulk. Under present arrangements, the Post Office Department can utilize less than whole storage cars of 60 ft. in

units of 3 ft. or multiples thereof up to 30 ft.; if more than 30 ft. is used, the whole car is taken. The mail pay applies for the round trip of storage cars or space units used.

The new proposal in this connection is that the Post Office Department be permitted to utilize less than whole storage cars in space units up to 45 ft., and that no claim be allowed for the return empty of any storage units less than whole 60-ft. cars. Presumably the extension of the less-car limit on the use of storage space from 30 to 45 ft. would permit the department to minimize its use of whole cars, and thus reduce its payments for empty return movements, the latter coming about under the other provision of the new proposal which would allow claims for such movements only on whole storage cars.

The 65 per cent mail-pay increase now sought by the railroads would be added to the rates in effect February 18, 1947, and would result in an increase of something like 40 per cent in present rates which include the interim increase of 25 per cent that became effective February 1 and was retroactive to February 1, 1947. The postmaster general's reply to the latest railroad petition suggested that the carriers effect further operating economies to offset increasing costs.

"Modernization of equipment, facilities, and terminals, and up-to-date methods of doing business, long overdue, particularly in relation to the transportation of mail, offer substantial sources of economies and savings to the railroads," the answer said. "Reducing costs by such methods would be more productive of net revenues than constantly increasing rates which eventually bring diminishing gross and net revenues. In short, railroads may obtain greater profits from lower gross earnings if the conditions of service and methods of transacting business are suitably improved. This is particularly true of their best customer, the United States Post Office Department."

C. A. A. Announces 1949 Federal-Aid Airport Program

D. W. Rentzel, administrator of the Civil Aeronautics Administration, has announced a list of 455 new projects and additions to existing projects to be undertaken under the federal-aid airport program for the 1949 fiscal year. The program calls for the construction or improvement of air ports at an estimated cost to the federal government of \$35,098,459, with local or state sponsors providing an additional \$38,720,996.

The announcement also said that Administrator Rentzel had not been able to program "many worthy projects" for which the C.A.A. had received applications for federal assistance. The C.A.A. has on file now a backlog of approximately \$210,000,000 in requests for federal aid, it added, and explained

that selection for the 1949 program "was made on the basis of most immediate aeronautical necessity."

The 455 projects on the list include 282 for the construction or improvement of airports of the Class 1, 2, and 3 category and 173 for Class 4 or larger. Of the \$35,098,459 of proposed federal grants, \$11,584,899 is for construction or development of Class 3 or smaller airports, and \$23,513,560 is for Class 4 and larger.

Of the \$40,000,000 of Federal funds appropriated for the fiscal year 1949, \$3,000,000 has been apportioned for administrative purposes, \$500,000 for projects in the territories, \$27,375,000 among the states according to area and population, in accordance with the formula provided by law, and \$9,125,000 for a fund from which grants to sponsors will be made at the discretion of the administrator.

Not all of these amounts have been programmed, since apportionments made to certain states have not yet been fully covered by project requests. "The C.A.A. anticipates that requests from sponsors in these states will be received soon," the announcement said.

Bulwinkle-Reed Act Procedure Prescribed by the I.C.C.

The Interstate Commerce Commission has issued an order prescribing rules and regulations governing applications under section 5a of the Interstate Commerce Act, the new section added by the Bulwinkle-Reed act, which grants anti-trust immunity for carrier joint agreements approved by the commission and limited to matters relating to "rates, fares, classifications, divisions, or charges (including charges between carriers and compensation paid or received for the use of facilities or equipment), or rules and regulations pertaining thereto, or procedures for the joint consideration, initiation or establishment thereof."

The order was accompanied by a notice from I.C.C. Secretary W. P. Bartel who said that matters arising under the new section had been assigned to the commission's Division 2, and that administrative work "below the division level" had been assigned to the Bureau of Water Carriers and Freight Forwarders. Members of Division 2 are Commissioners Alldredge, Rogers and Barnard, the first-named being its chairman.

The order prescribing the regulations was dated July 6 and it occupies five double-spaced mimeographed sheets. The first rule relates to the form and contents of the applications. After specifying how the applicant is to be identified, it provides that, if the agreement of which approval is sought pertains to a conference, bureau, committee, or other organization, there must be submitted "a complete description of such organization, including any sub-units, and of its functions and methods of



The viaduct which, with its 18 stone arches, carries the main line of the Erie 1,200 ft. across the Starrucca valley near Susquehanna, Pa. Completed in 1848, the structure is 110 ft. high. Originally built for a single track, for many years it has been carrying double-track traffic without any significant changes in construction. Said to be the most expensive bridge in the world 100 years ago, the construction cost was \$335,203.

operation, together with a description of the territorial scope of such operations." If the organization has "a working or other arrangement with any other organization," there must be included "a complete description of such arrangement or relationship." If the agreement for which approval is sought is of any other character, there must be submitted "a precise statement of its nature and scope and the mode of procedure thereunder."

Exhibits required with each application include a true copy of the agreement, and an opinion of counsel for applicant that the application meets the requirements of section 5a and will be legally authorized if approved by the commission. If the agreement pertains to a conference, bureau, committee, or other organization, there must be other exhibits as follows: A copy of the constitution, by-laws, or other documents or writings, specifying the organization's power, duties, and procedures, unless incorporated in the agreement as filed; an organization chart; and a schedule of charges to members or, where expenses are divided among the members, a statement showing how the expenses are divided.

Other regulations specify how the applications shall be prepared and the procedure for their filing. One such requirement is that copies be served on state regulatory bodies having jurisdiction within the scope of the agreement. The commission will issue public notes, through the Federal Register, of the filing of applications, and protests should be filed in accordance with Rule 1.40 of the commission's General Rules of Practice.

Wenneman Criticizes Young in Resigning C. & O. Vice-Presidency

The resignation of W. H. Wenneman as vice-president, finance and corporate relations, of the Chesapeake & Ohio, reported in the July 10 *Railway Age*, was submitted in a letter dated June 29 and addressed to Robert R. Young, chairman of the C. & O. board. "My inability to fully accept the philosophy that you have developed and imposed on the C. & O. in the past two years has been a matter of growing concern to me," Mr. Wenneman said in his letter, copies of which were sent to all the road's directors, "and I am taking this step after 25 years of service with the C. & O., following several months of serious consideration.

"I have been made increasingly aware of late," the letter continued, "that frank expression of my own views is unwelcome—a condition that formerly did not exist—while at the same time you have made it abundantly clear that you expect unquestioning support of all your actions. Too many activities have been undertaken for the sole purpose of attracting public attention, and of late all others have been slanted for their public effect. The net result of this policy has been that several second-rate awards have been won, and public favor has been lost.

"Although heavy responsibilities have been placed upon me and the other officers," Mr. Wenneman's letter went on, "all authority in the company resides in you and it has become apparent that we are not to be permitted to exercise our best judgment and full abilities in correcting the unfavorable conditions about which the board has properly been concerned of late. . . .

Since I cannot work harmoniously with the chief executive appointed by the board, I have decided to sever my connection."

Mr. Young, in a letter also sent to the directors, described Mr. Wennerman's resignation as "sudden and surprising," adding, "as the board knows, the financial vice-president reports directly to the chairman. My dissatisfaction with his services has been made apparent to him in connection with his summer residence on Cape Cod, where he is accustomed to spend the month of July and numerous long weekends in addition. I had overlooked this in past years, but could not overlook these unauthorized absences during the period of the president's [Robert Bowman's] illness and when the corporation faced many pressing problems. Directors have also heard me openly express, in his presence, my dissatisfaction at his failure for not having brought to the board's attention many important facts relating to the company's operation."

Thomas J. Deegan, Jr., director of public relations of the C. & O. wrote the directors in reference to Mr. Wennerman's mention of "second rate awards" and the further statement that "public favor has been lost." Describing himself as "disturbed by this unfortunate and inaccurate statement," Mr. Deegan outlined the "nature of the awards" won by the road, "their authenticity and the national public recognition which brought them about."

Allegheny Regional Advisory Board Committees Meet

Because of recent high demand for hopper cars, shortages in that type of equipment must be expected until the bulk of 44,901 hopper cars now on order can be delivered to the railroads, W. E. Callahan, manager of the open top section, Car Service Division, Association of American Railroads, said recently at a joint meeting of the executive and railroad contact committees of the Allegheny Regional Advisory Board in Wheeling, W. Va. During the business portion of the meeting, G. W. Brundage, traffic manager of the Bessemer Limestone & Cement Co., was elected chairman of the board's car efficiency committee, and A. C. Roy, traffic manager of Eastern Gas & Fuel Associates, was elected chairman of the freight claim prevention committee.

Official-Southwestern Divisions Probe Set for Hearing

The Interstate Commerce Commission has set October 11 as a hearing date and January 17, 1949, as a date for further hearing with respect to the investigation which it has instituted into the reasonableness of the present primary divisions of interterritorial joint class and all-commodity rates between points in Official territory and points in Southwestern territory. The hear-

ings will be held at the commission's Washington, D. C., offices, before Examiner Howard Hosmer.

The investigation, requested by railroads in Official territory, was ordered by the commission last December. It originally embodied rates between all points in Official territory, but a July 6 order of the commission excludes from the probe the Chicago, Ill., switching district or other points in that state on, west or north of the Illinois waterways or in Wisconsin.

The commission's order also directs Official territory respondents to submit copies of their testimony and exhibits to the commission and to counsel for the Southern and Southwestern territory respondents not later than September 1. The testimony and exhibits of the latter are due not later than December 20.

Freight Car Loadings

Loadings of revenue freight in the week ended July 10, which included the July 5 holiday, totaled 755,760 cars, the Association of American Railroads announced on July 15. This was a decrease of 1,606 cars, or 0.2 per cent, under the preceding week, a decrease of 51,357 cars, or 6.4 per cent, under the corresponding week last year, and a decrease of 139,322 cars, or 15.6 per cent, under the equivalent 1946 week.

Loadings of revenue freight for the week ended July 3 totaled 757,366 cars, and the summary for that week as compiled by the Car Service Division, A.A.R., follows:

Revenue Freight Car Loadings For the Week Ended Saturday, July 3			
District	1948	1947	1946
Eastern	132,138	102,982	121,798
Allegheny	159,601	127,150	145,969
Pocahontas	23,867	20,969	37,063
Southern	112,901	90,804	104,691
Northwstrn.	133,484	115,745	104,453
Ctrl. Wstrn.	130,853	112,098	107,228
Southwstrn.	64,522	59,456	58,573
 Total Wstrn. Districts.	 328,859	 287,299	 270,254
 Tot. All Rds.	 757,366	 629,204	 679,775
 Commodities:			
Grain and grain pdcts.	61,030	58,967	46,472
Livestock	7,882	9,253	13,793
Coal	56,773	32,753	99,828
Coke	11,887	8,523	11,697
Forest pdcts.	48,059	32,595	32,784
Ore	84,305	78,395	63,024
Mchdse l.c.l.	105,061	96,647	108,174
Miscellaneous	382,369	312,071	304,003
July 3	757,366	629,204	679,775
June 26	888,582	846,141	879,544
June 19	906,774	901,296	858,423
June 12	906,948	895,292	867,918
June 5	821,213	900,747	830,128

Cumulative tot.
27 weeks 21,524,566 22,298,801 19,695,637

In Canada.—Carloadings for the week ended July 3 totaled 71,115 cars as compared with 78,901 cars for the previous week and 68,766 cars for the corresponding week last year, according to the compilation of the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
July 3, 1948	71,115	33,474
July 5, 1947	68,766	34,836
Cumulative total for Canada:		
July 3, 1948	1,987,840	946,527
July 5, 1947	1,940,840	946,527

Alabama Intrastate Fares

The Interstate Commerce Commission has instituted an investigation into the refusal of the Public Service Commission of Alabama to permit intrastate coach and first-class passenger fare increases in line with those which apply to interstate traffic. The proceeding has been assigned for hearing on July 21 at Montgomery, Ala., before Examiner Hosmer. As reported in *Railway Age* of July 3, page 41, 11 carriers operating within Alabama told the commission that the respective interstate and coach and first class fares are now 2.5 cents and 3.5 cents per mile, whereas the intrastate coach and first class fares presently in effect in that state are 2.2 cents and 3.3 cents per mile, respectively.

New York Commutation Fares

The Interstate Commerce Commission has set July 26 as the hearing date with respect to its investigation into the failure of the Public Service Commission of New York to permit the New York, New Haven & Hartford to establish in the state of New York the same increases in commutation fares which the federal agency has authorized the New Haven to establish in its interstate commuter operations. The hearing will be held at the Hotel St. George, Brooklyn, N.Y., before Examiner Fuller. The institution of the investigation was noted in *Railway Age* of July 3, page 40.

Representation of Employees

The Brotherhood of Railroad Trainmen has replaced the United Steel Workers of America, Congress of Industrial Organizations, as the representative of clerical, office, station and storehouse employees of the Monongahela Connecting, as the result of a recent election which has been certified by the National Mediation Board. The B. of R.T., however, has been succeeded by the International Association of Machinists, functioning through the Railway Employees' Department, American Federation of Labor, as the representative of automotive mechanics, including their helpers and apprentices, employed by the Yakima Valley, as the result of another election, also certified by the N.M.B.

The Hotel & Restaurant Employees International Alliance had been designated to continue representing dining car employees of the Chicago, Milwaukee, St. Paul & Pacific. That organization defeated the Dining Car & Railroad Food Workers Union, 227 to 186,

in a special run-off election, after neither of those two unions nor the United Transport Service Employees, C.I.O., had received a majority of the ballots in the first referendum.

A.C.L. Signaling Modifications

Acting upon a request filed by the Atlantic Coast Line, the Interstate Commerce Commission has amended its order of April 29, 1946, to require that road to complete before January 1, 1950, the installation of a block signal system between Waycross, Ga., and Atlanta.

The commission's 1946 order required the A.C.L. to install a block signal system between Jessup, Ga., and Montgomery, Ala., before January 1, 1950. The A.C.L., meanwhile, requested that the Waycross-Atlanta segment be substituted for the Jessup-Montgomery line. In approving the substitution, however, the commission extended to January 7, 1951, the time within which the carrier will be required to complete the Jessup-Montgomery project.

The commission also has extended for one year from July 1 the time within which the A.C.L. will be required to complete the installation of a block system between Orlando, Fla., and Tampa. Installation of the signaling by the A.C.L. was ordered by the commission after its consideration of a return to a show-cause order (see *Railway Age* of May 4, 1946, page 940).

Additional General News appears on pages 71 and 72.

ORGANIZATIONS

The Southern Association of Car Service Officers will hold its semi-annual meeting at the General Oglethorpe Hotel, Savannah, Ga., July 21 and 22.

The 25th annual convention of the National Association of Foremen will be held in Philadelphia, Pa., September 23-25, inclusive.

SUPPLY TRADE

John D. Coleman, whose appointment as regional service manager of the western region of the American Locomotive Company was announced in the *Railway Age* of June 5, joined the company in 1939. In November, 1942, he entered the United States Army as a captain in the Transportation Corps. He returned to the company's locomotive field service division in October, 1945.



One of the 7 lounge grill coaches recently delivered to the Missouri Pacific and the Texas & Pacific by the American Car & Foundry Co. Part of a 69-car order placed with A.C.F. by the two roads, the cars are for service in the "Texas Eagle" and the "Valley Eagle"

Also announced in the same issue were the appointments of Carl A. Gandy, Jr., as district sales representative; John F. Corcoran to be in charge of sales activities for the railway steel spring division; and Paul N. Strobell as district engineer for the New York district.

Mr. Gandy joined the company in 1940 and has been a service engineer in the New York and Atlanta, Ga., districts as well as in Mexico and Brazil. Mr. Corcoran also joined Alco in New York in 1940 and two years later was assigned to the Washington, D.C., office to work on war production problems. He was appointed district sales manager in Atlanta in February, 1947. Mr. Strobell joined the company as a service engineer on Diesel-electric locomotives in 1941. He was assigned to install the first Alco switchers on the Central Railway of Brazil in 1943 and after his return to the United States in July, 1943, he entered the Navy as a lieutenant. He rejoined Alco's service department at Schenectady, N. Y., after his discharge in August, 1946.

H. B. Hammond has been relieved of his duties as district manager of the New York office of the Rockbestos Products Corporation to devote himself exclusively to the servicing, for the company, of all departments of the federal government in Washington, D. C., and all private shipyards on the east coast. He will be located at company headquarters in New Haven, Conn. The company also has announced the appointments of J. T. Williams, formerly Cleveland, Ohio, office manager, as New York district manager; D. S. Lee,

formerly district manager of the Buffalo, N. Y., office, as district manager of the Cleveland office, with which office territory the Buffalo district has been incorporated; S. A. Sargent, formerly district representative of the New England territory, as district representative of the Chicago office; and R. G. Newton, formerly sales promotion manager of the New Haven office, as district representative of the New England territory, with headquarters in New Haven.

E. L. Behrends has joined the general sales department of the Taylor Forge & Pipe Works, which operates plants at Chicago and Carnegie, Pa. Mr. Behrends was formerly vice-president of the George B. Limbert Company and later manager of the western supply division of the Lummus Company, operating the former Limbert facilities.

The Worthington Pump & Machinery Corp. has announced the appointment of Harold T. Anderson as assistant to the general sales manager, in charge of sales production relations, with headquarters at the Harrison, N. J., works. Mr. Anderson joined Worthington in 1924. In 1940 he joined the sales department and was engaged in subcontracting activities until 1944, when he was transferred to the steam power division of the general sales department.

Hewitt-Robins, Inc., has announced the opening of new executive and sales offices at 370 Lexington avenue, New York. The new location also will serve as eastern sales offices for the Hewitt

Rubber and Restfoam divisions, Buffalo, N. Y., and Robins Conveyors and Engineers divisions at Passaic, N. J. and New York. The appointment of **F. L. Murdock & Co.**, Tulsa, Okla., to handle The Hewitt's rubber division line as industrial and oil field distributors of hose, conveyor and transmission belting, and packing, also was announced.

William J. Crabbs, formerly assistant chief of motive power and equipment of the Atlantic Coast Line, has joined the **Great Lakes Steel Corporation** as mechanical engineer in charge of application engineering of the company's nailable steel flooring. **William H. Adams** will continue to supervise research and development for the steel floor division.

Mr. Crabbs was graduated from the Virginia Polytechnic Institute in 1934 with a degree in mechanical engineering. During his summer vacations, from 1927 through 1933, he worked in the stores and mechanical departments of



William J. Crabbs

the Western Maryland and after graduation he joined the American Locomotive Company as a special apprentice. In 1936 he returned to the Western Maryland as a draftsman and, in 1938, was promoted to chief draftsman. He was appointed mechanical engineer in 1940. During the recent war, Mr. Crabbs was a major in the Transportation Corps. Following his discharge in 1945 he joined the Atlantic Coast Line as mechanical engineer. He was promoted to assistant chief of motive power and equipment in 1947.

T. B. Ellis, formerly district manager of the industrial division of the **General Electric Company**, has been appointed central district manager of the apparatus department, to succeed **R. I. Parker** who has been elected a commercial vice-president of the company, with headquarters in Chicago.

F. L. Sargeant has been appointed manager of the New York sales division of the **Reynolds Metals Company** to succeed **Stuart Smith**, who has been appointed special representative to the

United States Air Forces with headquarters in Reynolds' Dayton, Ohio, office. Mr. Sargeant was formerly manager of the Kansas City, Mo., and St. Louis sales divisions, successively. The appointment of **Wilfred P. Lawless** as manager of the Nashville, Tenn., sales district also was announced. Mr. Lawless was formerly in charge of the Charlotte, N. C., sales district.

Peter F. Rossman, whose election as president of the **Symington-Gould Corporation**, with headquarters at Depew, N. Y., was announced in the *Railway Age* of July 3, began his business career in 1922 with the Maxwell Motor Car Company. From 1923 to 1936 he was associated with the Packard Motor Car Company and, in the latter year, he joined the airplane division of the Curtiss-Wright Corporation, at Buffalo, N. Y. In 1943 he was invited by Guy W. Vaughan, president of the corporation, to organize and acquire plant and machine facilities for a new development division at Bloomfield, N. J., of which division he became general manager, responsible directly to the president. This division was liquidated in December, 1945, at which time Mr. Rossman was appointed special assist-



Peter F. Rossman

ant to the president, with headquarters at New York, the position he held at the time of his recent election.

J. A. Sauer, whose retirement as president of the corporation was announced in the same issue, began his career in the Mt. Clare (Baltimore, Md.) shops of the Baltimore & Ohio, where he worked from June, 1905, to September, 1907, when he joined the T. H. Symington Company at Baltimore. In 1912 he was transferred to New York where he studied evenings at the New York University School of Commerce and was graduated with the class of 1917. In July of that year he went to Rochester, N. Y., as secretary of the Symington-Anderson Company, one of five war plants in Rochester and Chicago which were organized by T. H. Symington. Mr. Sauer returned to New York in 1919 as assistant to the vice-president of the T. H. Symington

Company. He was appointed assistant to the president in 1922 and elected vice-president of the Symington Company, successor to the T. H. Symington Company, in 1924. He also was vice-president of the Gould Coupler Company, which was absorbed by Symington in 1925. When the two companies



J. A. Sauer

were merged in 1936, Mr. Sauer was appointed executive vice-president, and in May, 1944, he was elected president. Mr. Sauer was awarded the Frederick A. Lorenz Memorial for 1946 for the most outstanding contribution to the general welfare of the steel castings industry during the preceding year.

L. J. Davis, Jr., who has been associated with the **Union Switch & Signal Co.** in its engineering department since 1945, has been transferred to the firm's sales department, with headquarters at New York.

Corliss A. Bercaw, district sales manager of the **Electro-Motive Division of General Motors Corporation**, with headquarters at Chicago, has been appointed Pacific Coast regional manager, with headquarters at San Francisco, Cal., succeeding **Ernest Kuehn**, who has retired. Mr. Kuehn will remain with the firm as a consultant until January 1, 1949. Mr. Bercaw is succeeded by **George W. Rukgaber**, district sales representative in the Chicago region. A picture of Mr. Rukgaber and a sketch of his career appeared in the *Railway Age* of May 1, this year, in connection with his promotion to district sales representative.

A. C. Boock, chief engineer of the **Allis-Chalmers Works** in Springfield, Ill., has been appointed general manager of the Springfield operations. Succeeding Mr. Boock is **Fred A. Schick**.

OBITUARY

Albert G. Bladholm, president of Iron & Steel Products, Inc., at Chicago, died at St. Luke's Hospital in that city on July 6, following a short ill-

ness. Mr. Bladholm had headed the firm since 1942 and prior to that time was associated with Briggs & Turivas, steel warehouse firm, at Blue Island, Ill.

John Allison, chief engineer of the Pittsburgh Steel Foundry Corporation, Glassport, Pa., died on July 8, at his home in Swissvale, Pa. He was associated with the firm for 42 years.

EQUIPMENT AND SUPPLIES

North Western to Refurbish 100 Suburban Cars at \$700,000 Cost

The interiors of 100 roller-bearing steel-and-aluminum passenger cars now operated in Chicago suburban service by the Chicago & North Western are scheduled to be completely redecorated, at a cost of \$7,000 per car. R. L. Williams, president of the company, said the cars would be converted into de luxe coaches featuring attractive pastel colors, bright seat upholstering, colorful tile floor covering and other changes designed for greater attractiveness and comfort. Work is already under way and it is expected that 28 cars will be refurbished this year.

In conjunction with the suburban coach improvement program, the road has installed new generators on suburban locomotives to increase by 100 per cent the lighting intensity on 77 trains. Mr. Williams pointed out that, despite an annual loss of almost \$2,000,000 on its commuter service, the road is undertaking the program "as tangible evidence of our determination to provide greater comfort and service" to the 32,000 persons who commute daily on the North Western.

SIGNALING

The Canadian Pacific has placed an order with the Union Switch & Signal Co. for materials required to install a consolidated control of Bresley, Outremont, Hampstead, St. Luc, Wentworth and North Jct. interlockings from Unit Tower, Montreal, Que. A 10-ft. Style C machine will be provided for this project. The functions at the Hampstead and St. Luc locations will be handled by direct wire, while those at all the other plants will be code controlled, with two code lines being used, extending in opposite directions from the centrally located tower. The order involves Style H-2 searchlight high and dwarf signals; the control machine with office and field code apparatus; reversible coded track circuit materials for use between interlockings and for all track circuits over 500 ft. in length within interlockings; and all required plug-in relays, rectifiers, transformers and housings.

The field installation will be handled by the regular construction forces of the railway.

The Chicago, Rock Island & Pacific has placed orders with the Union Switch & Signal Co. covering materials for the installation of automatic block signals on 64 mi. of single track between Brinkley, Ark., and Little Rock. Involved in the work are H-2 searchlight signals, coded track circuit materials, switch circuit controllers and housings. The field installation will be carried out by the regular construction forces of the railroad.

The Spokane, Portland & Seattle has ordered equipment from the General Railway Signal Company for the installation of absolute permissive block signaling on 151.5 mi. of single track between Wishram, Ore., and Bend. Type-SA searchlight signals, Type-K relays, Model-7 switch circuit controllers, and welded steel relay cases will be used in this installation.

FREIGHT CARS

The Clinchfield has ordered 35 70-ton covered hopper cars from the American Car & Foundry Co. for delivery in July, 1949.

The Copper Range has increased to 23 from 15 the number of 50-ton box cars it has ordered from the Pullman-Standard Car Manufacturing Company. The 15 cars originally ordered are scheduled for delivery next month and the remaining 8 cars are expected to be delivered in November.

The Delaware & Hudson has ordered 300 50-ton box cars and 200 50-ton gondola cars from its own shops. Delivery is scheduled for the second and third quarters of 1949.

The Grand Trunk Western has ordered 500 40½-ft. 50-ton box cars from the American Car & Foundry Co. and 200 50½-ft. 50-ton box cars from the Pullman-Standard Car Manufacturing Company. Deliveries of both lots are scheduled for the first quarter of 1949. The inquiry for this equipment was reported in *Railway Age* of April 10. The road also has reported it is completely rebuilding 600 40½-ft. box cars in its Port Huron, Mich., shops.

The Gulf, Mobile & Ohio has ordered 500 50-ton gondola cars from the American Car & Foundry Co. and 500 50-ton hopper cars from the Pullman-Standard Car Manufacturing Company. Delivery of the gondolas is scheduled for early in the third quarter of 1949, and delivery of the hoppers is expected during the second quarter of 1949. The inquiry for this equipment was reported in *Railway Age* of June 5.

The Kansas City Southern has ordered 400 70-ton hopper cars from the Pull-

man-Standard Car Manufacturing Company for delivery early next year.

The Mather Stock Car Company has ordered 100 40-ton refrigerator cars from its own shops for delivery early in 1949.

The Seaboard Air Line has ordered 150 70-ton hopper cars and 100 70-ton covered hopper cars from the Pullman-Standard Car Manufacturing Company. Delivery of both lots is scheduled to begin next January. These cars are part of the equipment for which the road has been inquiring, as reported in *Railway Age* of June 19.

The Western Maryland has ordered 50 50½-ft. 50-ton automobile cars from the Greenville Steel Car Company for delivery during the first quarter of 1949. This order is for the last of 500 freight cars of various types for which the road has been inquiring, as reported in *Railway Age* of June 5.

MARINE

The directors of the Erie have authorized the purchase of 4 steel car floats of 16-car capacity, 10 steel covered barges and 15 steel lighters at an estimated cost of \$1,777,628.

CAR SERVICE

Revised I.C.C. Service Order No. 552, which provides for the control and rerouting of tidewater coal and coke moving through North Atlantic ports has been modified by Amendment No. 2 which names J. B. Sinclair as commission agent with jurisdiction under the order over movements to New York, New Jersey, Delaware, Pennsylvania and Maryland ports. Mr. Sinclair, who succeeds the late W. R. Godber, is joint manager of the Anthracite Tidewater Emergency Bureau and the Northern Tidewater Bituminous Emergency Bureau with headquarters at 143 Liberty street, New York.

The Office of Defense Transportation issued General Permit ODT 18A, Revised 24-C, effective July 9. It authorizes (a) carload shipments of apples in minimum quantities of not less than 30,000 lb., or in bushel baskets loaded not less than four full tiers high, when originating at any point in Kansas or Missouri or east of a line consisting of the eastern boundary of Minnesota and the Mississippi river south to New Orleans, La.; and (b) carload shipments of apples in boxes in minimum quantities of not less than 35,000 lb., or Gravenstein apples in baskets in minimum quantities of not less than 30,000 lb. from any point in California, Oregon, or Washington.

CONSTRUCTION

Erie.—This company has announced that construction of a new passenger station at Lee road in Cleveland, Ohio, just south of Shaker Heights, is under way and is expected to be completed about December 1. Construction work is being done by Mark Swisher, Inc., Cleveland. When the new building is opened to the public, the road's East 93rd street station will be abandoned. The new station will be located along the eastward main track on the west side of Lee road. It will be 50 ft. long and 19 ft. wide. A canopy will be provided on the station platform and a waiting shelter, 24 ft. by 8 ft., is planned along the westward track directly opposite the station, for inbound passengers. Exterior walls of the two structures will be covered with dark red face brick. The main station roof will be covered with blended green asphalt shingles. Glass block windows are planned for the ends of the waiting shelter. Mottled cream and buff glazed tiles is specified for the interior walls of the waiting room. Ceilings will be cream-colored acoustical plaster. Rooms in the new building will be illuminated with a fluorescent lighting system.

Reading.—At the request of this road, Division 4 of the Interstate Commerce Commission has extended for one year from July 1 the time within which the Reading will be required to complete construction of a line from Boston Run Junction, Pa., to Frackville Junction, 2.5 miles (see *Railway Age* of September 20, 1947, page 75).

Southern.—Plans for construction of a new \$2,000,000 bridge across the Tombigbee river near Jackson, Ala., and of a smaller \$75,000 bridge across the Chickasaw river near Mobile, were announced this week. Work on the large structure will start this month and completion is expected by November, 1949. The smaller bridge is expected to be built early next year.

Plans for the new bridge across the Tombigbee river call for two approach spans, each 232-ft. 10-in. long, and a vertical lift span, 335-ft. 5½-in. long. In raised position the bridge will provide 52 ft. vertical clearance above ordinary high water level, and the clear horizontal opening at the bridge will be increased from the present 100 ft. to 300 ft. Reinforced concrete piers, carried on steel-bearing piles driven into bedrock, will support the steel spans. The superstructure will contain approximately 1,500 tons of structural steel. The bridge will be constructed under the direction of the road's engineering department, with Manley A. Roose as resident engineer. The piers were designed by the road's engineers and the structure was designed by Harrington & Cortelyou, Kansas City, Mo. Contractors are the Hardaway

Contracting Company, Columbus, Ga.; the Virginia Bridge Company, Roanoke, Va.; and the Ernest Construction Company, Mobile.

The new bridge across the Chickasaw river, about six miles north of Mobile, will be constructed by the road's own forces. It will have two girder approach spans, each 39-ft. long, and a center through-girder span 72-ft. long. Present end piers will be used and two new concrete piers will be built in the river.

Texas & Pacific.—This road has requested bids on contracts for furnishing all labor and materials and performing all work for the construction of reinforced concrete trestles, a creosoted ballast deck railroad trestle about 116 ft. long and a portion of the necessary earth embankment, all for the high level crossing over the Morganza floodway between Red Cross and Fordoche, Pointe Coupee parish, La. (See *Railway Age* of May 29, page 59). The aggregate length of the concrete trestles will be 16,000 ft. Bids will be received until August 28. The quantities of materials needed for this project, for which bids on alternate schedules are required, have been estimated as follows: more than 40,000 cu. yds. of concrete; about 4,000 tons of reinforcing steel; about 400 tons of structural steel for span bearings; over 600,000 lin. ft. of untreated timber foundation piles; and 21,000 cu. yds. of embankment.

comotives, and that the passenger operations on the C. & O. were conducted at a loss in excess of \$21,000,000 during the year ended December 31, 1947. Mr. Jackson had charged that the steam-turbines were still in a stage of experimentation and unproved reliability, and contended that they should not be made the basis of an obligation to be issued and sold to the public.

According to the commission, the record clearly shows that the C. & O. is in need of additional locomotives to handle the traffic on its lines. The 2 steam-turbines, it said, are of an unusual type; and that together with one such locomotive presently in service on the C. & O., are designed for the purpose of creating coal-burning locomotives which could be operated as economically and efficiently as Diesel-electrics. In this respect, it noted that the C. & O. originates a large amount of coal traffic, which type of fuel, it said, is more readily available to it than oil used for Diesel-electric operation.

"It has been shown," the commission went on, "that while these locomotives will not handle existing through passenger trains between Washington, D. C., and Cincinnati, Ohio, they will be able to do so when the modern, lightweight passenger equipment now on order is received. The performance of the locomotive at present in service is satisfactory and it has hauled its rated tonnage at the required speed over all parts of the line between Washington and Cincinnati."

With respect to passenger revenues, the commission held that it is a matter of common knowledge that passenger operations in general are conducted at a loss on a great many railroads. "Nevertheless," it continued, "the transportation of mail, passengers and express is a necessary public service and we are not persuaded that the losses suffered by the applicant in furnishing such service would constitute grounds for a denial of this application."

As for the C. & O. financing substantially the entire cost of new equipment, instead of making the customary initial payment, the commission referred to its report of May 24 (see *Railway Age* of May 29, page 60), wherein it authorized the C. & O. to assume liability for \$4,450,000 of 2½ per cent equipment trust certificates, but at the same time criticized the current-asset position of that road. The latter issue was applied toward the purchase of equipment estimated to cost \$4,495,608.

As for the present issue, the commission said that the C. & O. might provide cash for making the initial payment for the equipment by issuing short-term notes. "This would probably result in a more favorable effective interest rate on the equipment obligations," it said, "but would aggravate the applicant's burden of early maturities."

The commission's report also observed that the C. & O. during 1948

FINANCIAL

Disputed C. & O. Equipment Trust Issue Authorized by Commission

Division 4 of the Interstate Commerce Commission has authorized the Chesapeake & Ohio to assume liability for \$3,500,000 of 2½ per cent equipment trust certificates, the proceeds of which will be applied toward the purchase of equipment estimated to cost \$3,555,248. The equipment includes 2 6,000-hp. steam-turbine electric-drive passenger locomotives, to be acquired from the Baldwin Locomotive Works at an estimated unit price of \$547,451.

As reported in *Railway Age* of July 3, page 37, hearing on the C. & O.'s application in the proceeding, Finance Docket No. 16131, was held before Examiners Howard and Eddy last month after George S. Jackson, of 230 West End Avenue, New York, the C. & O. stockholder who has challenged that road's management on several recent occasions, was permitted to intervene in order to oppose the contemplated expenditures.

The commission, however, found that Mr. Jackson failed to support his allegations that the C. & O. is not in need of all the equipment proposed to be acquired, especially the steam-turbine lo-

will have assumed, on the basis of the present and proposed trust, liability in respect of a total of approximately \$17,150,000 of certificates, representing substantially the entire cost of the equipment to be acquired. "In addition. . . the applicant has shown that as of June 25, there was undelivered equipment on order in which it has an initial equity of 20 per cent, representing a total contract price of \$23,596,686, of which \$18,877,349 would be payable from funds held by equipment trust trustees and \$4,719,337 would be payable from funds of the applicant," the report stated.

According to the commission, the C. & O.'s anticipated requirements for cash, exclusive of dividends, to the end of the current year amount to \$39,064,481, consisting of \$980,000 for new equipment, \$7,800,000 for retirement of equipment obligations and bonds and \$30,284,481 for improvements to roadway if all the expenditures authorized are made.

"The applicant's net income for the year ended December 31, 1947, as reported to us, was \$34,346,223, and accruals for depreciation and amortization were \$14,002,748" the commission went on. "Should the applicant's earnings for the current and future years be equal to or greater than those for the year 1947 the applicant's current obligations along with those proposed to be assumed on this equipment program, and other capital expenditures, will not be too much for it to handle successfully."

The \$3,500,000 of certificates will also finance the purchase of 8 type 0-8-0 switching locomotives and 4 type 2-6-6-6 freight locomotives. They will be dated July 1 and will mature in 10 annual installments of \$350,000, starting July 1, 1949. The report also approves a selling price of 99.5101 with a 2½ per cent interest rate, the bid of Halsey, Stuart & Co., and associates, which had been accepted subject to commission approval, and on which basis the average annual cost will be approximately 2.47 per cent.

Atlantic & Danville.—*To Resume Independent Operations.*—In a move to pave the way for its reversion to independent operation this road, operated under lease by the Southern since 1899, has filed with the Interstate Commerce Commission an application pursuant to the so-called Mahaffie Act. It seeks commission authority to alter or modify its first and second mortgage 4 per cent gold bonds, due July 1, and the mortgages pursuant to which those bonds were issued. At the same time, it advised the commission that it has accepted, subject to court and commission approval, a compromise offer by the Southern to turn back the road and equipment in its existing condition and pay the A. & D. \$3,000,000 for a "full acquittance" of its responsibility under the lease, which expires July 1, 1949. The proposed reorganization plan contemplates that

about one-third of the settlement fund will be needed for new rolling stock, shops and repair and maintenance facilities, as well as working capital. The balance of about \$2,000,000, will be used in the refunding of the A. & D.'s mortgage debt.

The compromise advanced by the Southern is the outgrowth of litigation in the Circuit Court of Norfolk county, Va., which has issued a decree construing the lease to mean, in effect, that the properties must be restored to a modern condition. The Southern's appeal from that decree is now pending. Approval of the compromise offer by the court and commission, the A. & D. said, would enable it to regain possession and operate its properties, provided its debt maturities are cared for.

The A. & D. proposes to revamp its financial structure by paying \$400 in cash and issuing a new \$600 first mortgage bond for each \$1,000 of the \$3,925,000 of outstanding first mortgage bonds. It also proposes a cash payment of \$225 and a new \$750 second mortgage bond for each \$1,000 of the \$1,525,000 of outstanding second mortgage bonds. The new bonds would mature in 50 years and would continue to bear interest at 4 per cent annually. Half the interest on the new bonds will be fixed and half contingent on earnings. Pending completion of the reorganization, interest at the same rate of 4 per cent will be paid on the present bonds at least until July 1, 1949.

The A. & D. also indicated that it is contemplating arrangements whereby the road may become locally owned or controlled. As a local enterprise, it said, it should be considerably advantageous over other system lines in securing business of local industries and especially in "capturing" the through freight between Norfolk and Danville that now moves over longer routes. The road also has announced that plans are "being laid for a fast, efficient freight service—probably with Diesel locomotives."

Baltimore & Ohio.—*Trackage Rights.*—Division 4 of the Interstate Commerce Commission has authorized this road to operate under a trackage rights agreement over a 11.3-mile line of the Cherry River Boom & Lumber Co., from Richmond, W. Va., to Big Blizzard Run. The operation will develop coal lands, affording a large volume of traffic for the applicant. The agreement is for an initial term of five years and is to continue in force thereafter unless terminated by either party at the end of any year thereafter upon 30 days' written notice.

Chicago & Eastern Illinois.—*New Director.*—Anton Hulman, Jr., president of Hulman & Co., Terre Haute, Ind., has been elected a director of this company to succeed Henry E. Perry, president of the Commercial Solvents Corporation, New York, who has resigned.

Chicago Great Western.—*Operating Agreement.*—This company has asked the Interstate Commerce Commission to approve a supplemental agreement under which it will continue to lease passenger facilities of the Des Moines, Iowa, Union Railway, also used by the Chicago Milwaukee, St. Paul & Pacific and Wabash. The lease would be effective for one year from January 1 and thereafter would be subject to termination on 90 days' notice by either party. Rental paid by the C.G.W. would not exceed \$45,000 annually.

Facility Terminal.—*Acquisition.*—The Interstate Commerce Commission has permitted the Missouri Pacific to intervene in opposition in the proceeding wherein this new company, as reported in *Railway Age* of June 26, page 136, seeks authority to acquire and operate a 3.1-mile switching track located on the property known as the Navy Industrial Reserve Facility, south of Kansas City, Mo.

Lehigh Valley.—*Adjustment Plan.*—This road has filed with the Interstate Commerce Commission its proposed adjustment plan under the Interstate Commerce Act's section 20b—the so-called Mahaffie Act. Details of the plan were outlined in *Railway Age* of June 26, page 135.

New York, New Haven & Hartford.—*Boston Terminal Reorganization.*—Division 4 of the Interstate Commerce Commission has approved as reasonable \$12,000 a year, effective January 26, as the maximum annual compensation to be paid to G. F. Mahoney, as trustee of the property of the Boston Terminal Co.

Paterson & Hudson River.—*Dividend.*—This road paid a dividend of \$1.12½ a share on the common stock on July 15. The previous payment on the issue was \$1.37½ a share on January 15.

Pennsylvania.—*Hotel Sold.*—This company has sold the 2,200-room Hotel Pennsylvania in New York for an undisclosed cash consideration to the Hotels Statler Company, which through a subsidiary has operated it since it was completed in 1919.

Reading.—*Control of Leased Lines.*—Division 4 of the Interstate Commerce Commission has authorized this company to acquire, through stock ownership, control of three lines which it has operated under lease for many years. They are the Mill Creek & Mine Hill Navigation & Railroad, the Mount Carbon & Port Carbon and the Schuylkill Valley Navigation & Rail Road. The commission's authorization was granted upon the understanding that the Reading will not pay more than \$53.25 per share for the stock it plans to acquire.

Southern.—*Acquisition.*—This road has applied to the Interstate Commerce

Commission for authority to acquire all properties of the Richmond & Mecklenburg, which it has operated under lease since 1898, following which the subsidiary company will be dissolved. The R. & M. extends from Keysville, Va., to Clarksville, 31.2 miles. The Southern owns all its outstanding bonds and 82.9 per cent of its capital stock.

Tennessee.—*Bonds.*—Because it found that it could effect the extension of an August 2 bond maturity under the provisions of section 20a of the Interstate Commerce Act, as originally planned and authorized by the Interstate Commerce Commission, this road has obtained from the commission an order dismissing the application which it filed subsequently for authority to proceed instead under section 20b—the so-called Mahaffie Act. (See *Railway Age* of April 10, page 75.)

Texas & Pacific.—*Lease.*—Division 4 of the Interstate Commerce Commission has dismissed for want of jurisdiction this road's application for authority under Section 20a of the Interstate Commerce Act to assume obligation as lessee of railway freight facilities under the provisions of a June 1 lease with the Eagle Ford Land & Industrial Co., the entire capital stock of which is owned by the T. & P. Eagle Ford, which owns certain land adjacent to the T. & P.'s main line in the Dallas, Tex., industrial district, intends to construct buildings and tracks on the land and to lease them to the T. & P. for use as a freight terminal. To aid in financing the project, Eagle Ford has arranged a loan of \$1,200,000 from the Republic National Bank of Dallas, to be evidenced by 10 promissory notes. Under the terms of the lease, the T. & P. will agree to lease the premises for a period of 25 years and advance to Eagle Ford such sums above the amount of \$1,200,000 as are required to complete the improvements, such advances to be repaid to the T. & P.

The commission said that the T. & P. does not propose to assume any obligation or liability in respect of Eagle Ford's securities, but will merely undertake to pay a fixed rental obligation as lessee directly to Eagle Ford. The T. & P., it added, has in no way placed itself in the lessor's position regarding the interest and loan requirements on the latter's notes; is a "stranger" to the financial transactions between Eagle Ford and the bank, assuming no obligation with respect thereto as endorser, guarantor or otherwise; and has not in any way bound itself to a third party to discharge its lessor's indebtedness. "In our opinion," the commission concluded, "the provisions of the proposed indenture of lease are not such as to constitute in any manner assumption of obligation or liability by the applicant in respect of the securities of another and to require our authorization under section 20a."

Wyoming.—*Reorganization.*—This company has advised the Interstate Commerce Commission that it has filed with the federal district court in Wyoming a petition to reorganize under section 77 of the Bankruptcy Act. According to the road, its debts amounted to \$1,781,931 as of July 1. It said it has been unable to meet its liabilities as they mature and has no means of obtaining any loans to pay them.

New Securities

Application has been filed with the Interstate Commerce Commission by:

Goldsboro, N. C., Union Station.—To extend from August 1 to August 1, 1963, the maturity date of \$96,000 of first mortgage bonds. The bonds are owned jointly by the Atlantic Coast Line and the Southern, each of which has consented to the extension. The securities would bear interest at the rate of 3 per cent during the extended period.

New York Central-Baltimore & Ohio.—To assume joint liability for \$9,250,000 of first mortgage series A sinking funds to be issued and sold by the Lakefront Dock & Railroad Terminal Co. Proceeds from their sale will be used to reimburse the guarantors for advances made in connection with the construction of terminal facilities near Toledo, O. The bonds, to be sold on the basis of competitive bidding, will be dated June 1 and will mature June 1, 1968. Lakefront also seeks authority to issue to the N.Y.C. and B. & O. 92,400 shares of capital stock, par value \$100 per share.

Pennsylvania.—To assume liability for \$14,518,000 of series A first mortgage bonds which its subsidiary and lessor, the New York Bay, seeks authority to issue and deliver to it. The bonds will be dated August 1, mature August 1, 1978, and bear interest at the rate of 3 3/4 per cent annually. They would be used to reimburse the Pennsylvania for \$11,706,000 of New York Bay first mortgage series A 5 per cent gold bonds, due May 1, 1982, and for \$2,812,000 in advances which the parent company has made to its subsidiary.

Division 4 of the I.C.C. has **authorized**:

Baltimore & Ohio.—To assume liability for \$5,060,000 of series Z equipment trust certificates, the proceeds of which will be applied toward the purchase of equipment estimated to cost \$6,327,469, as outlined in *Railway Age* of June 26, page 138. The certificates will be dated July 1 and will mature in 10 equal annual installments starting July 1, 1949. The report also approves a selling price of 99.257 with a 2 1/4 per cent interest rate, the bid of Salomon Brothers & Hutzler and associates, on which basis the average annual cost will be approximately 2.4 per cent. The certificates were reoffered to the public at prices yielding from 1.5 per cent to 2.6 per cent, according to maturity.

Gulf, Mobile & Ohio.—To issue and sell not exceeding \$7,000,000 of collateral-trust 3 3/4 per cent bonds, the proceeds of which will be applied toward the purchase of equipment estimated to cost \$8,388,940, as outlined

in *Railway Age* of June 19, page 61. As collateral security for the bonds, the G.M. & O. also has been authorized to issue and pledge not exceeding \$7,000,000 of first and refunding mortgage series E 4 per cent bonds, due in 1973, and \$6,405,000 of first and refunding mortgage series F bonds, due in 1964. Any excess of the series F bonds will be applied to the satisfaction of the sinking fund requirements therefor.

The collateral-trust bonds will be dated July 1 and will mature July 1, 1968. They will be redeemable at whole or in part at 104 if redeemed during the 12 months' period ending June 30, 1949, decreasing gradually each year thereafter to 100 if redeemed during the 12 months' period ending June 30, 1968. For sinking fund purposes they will be redeemable at 102, if redeemed during the 12 months' period ending June 30, 1949, decreasing gradually each year thereafter to 100 if redeemed during the 12 months' period ending June 30, 1968. Accrued interest will apply in each case. The report also approves a selling price of 100.089992 with a 3 3/4 per cent interest rate, the bid of Halsey, Stuart & Co., and associates, on which basis the average annual cost will be approximately 3.75 per cent. The bonds were reoffered to the public at 101.

Chicago & Eastern Illinois.—To assume liability for \$2,460,000 of series F equipment trust certificates, the proceeds of which will be applied toward the purchase of equipment estimated to cost \$3,076,825, as outlined in *Railway Age* of June 19, page 61. The certificates will be dated July 1 and will mature in semi-annual installments of \$82,000, starting January 1, 1949. The report also approves a selling price of 99.33 with a 2 5/8 per cent interest rate, the bid of Salomon Brothers & Hutzler, and associates, which had been accepted subject to commission approval, and on which basis the average annual cost will be approximately 2.73 per cent. The certificates were reoffered to the public at prices yielding 1.35 per cent to 2.875 per cent, according to maturity.

Chicago, Milwaukee, St. Paul & Pacific.—To assume liability for \$3,820,000 of series EE equipment trust certificates, the proceeds of which will be applied toward the purchase of equipment estimated to cost \$5,106,868, as outlined in *Railway Age* of June 26, page 138. The certificates will be dated July 1 and will mature in 20 semi-annual installments of \$191,000, starting January 1, 1949. The report also approves a selling price of 99.0267, with a 2 per cent interest rate, the bid of Harris, Hall & Co., and associates, which had been accepted subject to commission approval, and on which basis the average annual cost will be approximately 2.19 per cent.

Average Prices Stocks and Bonds

	July 13	Last week	Last year
Average price of 20 representative railway stocks	51.57	51.06	49.55
Average price of 20 representative railway bonds	91.74	91.46	89.45

Dividends Declared

Cleveland, Cincinnati Chicago & St. Louis.—common, \$5.00, semi-annually; 5% preferred, \$1.25, quarterly, both payable July 31 to holders of record July 16.

North Carolina.—7% guaranteed, \$3.50, semi-annually, payable August 2 to holders of record July 20.

Paterson & Hudson.—reduced, \$1.12 1/2, semi-annually, payable July 15 to holders of record July 6.

Saratoga & Schenectady.—\$2.50, payable July 15 to holders of record July 1.

or for the T. & P. at Dallas, Tex. He was advanced to general agent at Fort Worth in March, 1920, to superintendent of car service at Dallas in October, 1920, and to superintendent of transportation in the latter city in 1925. Mr. Chester was appointed to positions successively as superintendent at Alexandria, La., in 1926, general superintendent at Dallas in 1928, superintendent

Mr. Finegan was born on August 10, 1904, at Nyack, N. Y., and began his railroad career with the T. & P. in 1920 as a clerk in the office of the secretary and treasurer, with headquarters



J. J. Finegan

ABANDONMENTS

Application has been filed with the Interstate Commerce Commission by:

New York, New Haven & Hartford.—To abandon a line from Collinsville, Conn., to West Hartford, 6.1 miles.

Division 4 of the Interstate Commerce Commission has authorized:

Chicago, Burlington & Quincy.—To abandon a line from a point near Republican City, Nebr., to a point near Long Island, Kans., 15.1 miles, and, at the same time, to acquire and operate a line to be constructed by the federal government from a point near Long Island to a connection with its so-called St. Francis branch about 3 miles west of Orleans, Nebr. The abandonment and relocation are parts of a flood control project.



A. J. Chester

dent at Fort Worth in 1931 and to general superintendent at Dallas in 1936. He was further advanced to general manager in 1937, and has served as operating vice-president since 1939.

Mr. Porter was born in Temple, Tex., on August 9, 1891. He entered railroad service in 1910 as a lineman with the Gulf, Texas & Western, at Jermyn, Tex., and held several positions with that road until 1917, when he joined the T. & P. as claim agent at Dallas. He was appointed chief clerk in 1919, law agent in 1920, assistant

at New York. He subsequently served in various positions in the offices of the board chairman, secretary and treasurer of the T. & P. and the Missouri Pacific Lines at New York and Cleveland, Ohio, until 1938, when he became assistant secretary and treasurer of the T. & P. He was appointed secretary at Dallas in 1939, and in 1945 was appointed also assistant to executive vice-president. He is presently serving in these positions.

FINANCIAL, LEGAL and ACCOUNTING

A. P. Stewart, general attorney of the St. Louis-San Francisco at St. Louis, Mo., has retired after 48 years of service with the road.

Vernon W. Geddes has been appointed assistant auditor of freight and passenger accounts of the Western Pacific, with headquarters at San Francisco, Cal., succeeding William G. Levy, whose promotion to auditor of freight and passenger accounts was reported in *Railway Age* of June 19.

L. W. Albertson, assistant controller of the Spokane, Portland & Seattle, at Portland, Ore., has been appointed controller at that point, succeeding Robert Crosbie, who has retired following 38 years of service with the road.

T. H. Keelor, assistant treasurer of the Chesapeake & Ohio, has been appointed also assistant secretary, with headquarters as before at Cleveland, Ohio, succeeding H. C. Strong, who retired June 30 under the retirement plan of the company, after more than 39 years with the C. & O. and its merged companies.

Alexander R. Lawton, Jr., general solicitor of the Central of Georgia, has been elected general counsel, with headquarters as before at Savannah, Ga., suc-



L. C. Porter

general claim agent in 1925 and special traffic representative at Fort Worth, Tex., in 1931. Mr. Porter served from October, 1932, to July, 1938, as general manager of the T. & P. Terminal Warehouse at Fort Worth, advancing to assistant to the road's president in July, 1938, the position he now holds.

RAILWAY OFFICERS

EXECUTIVE

J. B. Nance, vice-president and general manager of the Maryland & Pennsylvania, with headquarters at Baltimore, Md., has been elected president and general manager, succeeding the late O. H. Nance, who was president of the road for over 33 years. E. J. Weber, assistant to president at Baltimore, has been elected vice-president.

A. J. Chester, operating vice-president of the Texas & Pacific, with headquarters at Dallas, Tex., has announced his intention to retire on August 1, after 51 years of railroad service.

Mr. Chester will be succeeded by L. C. Porter, assistant to president, who in turn will be replaced by J. J. Finegan, secretary and assistant to the executive vice-president.

Mr. Chester was born in Jackson, Tenn., on January 1, 1880. He entered railroad service in 1897 as clerk in the local freight office of the Mobile & Ohio (now Gulf, Mobile & Ohio), at Jackson, and subsequently served also with the Nashville, Chattanooga & St. Louis, Illinois Central and the Southern. In 1917 he became agent for the T. & P. and the International-Great Northern at Fort Worth, Tex., and in 1919 was promoted to service supervis-

ceeding **T. Mayhew Cunningham**, who has resigned to devote himself entirely to the general practice of law. **George O'Donnell**, general attorney, has been promoted to general solicitor, to succeed Mr. Lawton. The position of general attorney has been abolished. **Julian C. Sipple** has been appointed attorney.

Harry F. Becker, assistant auditor of freight accounts of the St. Louis Southwestern, at St. Louis, Mo., has been appointed auditor of freight accounts at that point, succeeding **J. R. Barrett**, whose retirement was reported in the *Railway Age* of July 3.

A. S. Schroeder, whose appointment as assistant general counsel of the Pennsylvania at Philadelphia, Pa., was reported in *Railway Age* of July 3, was born at Philadelphia and was graduated from Pennsylvania State College and the University of Pennsylvania Law School. After completing his law course, Mr. Schroeder served five and a half years with the Federal Bureau of Investigation, advancing to administrative assistant to director J. Edgar Hoover. He has been with the P.R.R. since 1936 and was appointed assistant general solicitor in 1940, which position he held at the time of his recent appointment.

Emery C. Bates, whose retirement as treasurer of the Western Pacific, with headquarters at San Francisco, Cal., was reported in *Railway Age* of June 19, was born on November 20, 1881, at Colorado Springs, Colo. Mr. Bates received his higher education at Colorado Springs in 1906. In the following year he joined the Southern Pacific as a clerk in San Francisco, after which he served for two years as cashier for a firm outside the railroad industry. He joined the W. P. in 1911 as paymaster, advancing to cashier in 1912 and to assistant treasurer in 1920. Mr. Bates had held the position of treasurer since 1928.

William L. Holder, whose retirement as tax commissioner of the Texas & Pacific and the Missouri Pacific Lines in Texas and Louisiana, with headquarters at Dallas, Tex., was reported in *Railway Age* of July 3, was born on September 11, 1869, at Fairfield, Tex. Mr. Holder began his railroad career in 1887 as an agent for the International-Great Northern (part of the M. P. Lines), at Elkhart, Tex., until his retirement, had served that road continuously for 61 years. He was employed as agent successively at several points on the I-G.N., including San Antonio, Tex., where he later advanced to tax commissioner for the road. When the railroads were taken over by the government during World War I, he was appointed tax commissioner for all lines in the Southwest Federal District. Upon the return of the roads to private operation Mr. Holder continued as tax commission for the

T. & P. and the I-G.N., and in 1925 his duties were extended to include 24 M. P. subsidiaries. At the time of his retirement on July 1, he was tax commissioner for 32 railroad corporations.

Arthur O. Gibson, whose election as secretary and treasurer of the Chicago, Rock Island & Pacific, at Chicago, was reported in *Railway Age* of July 3, was born on March 4, 1897, at Hull, England. Mr. Gibson began his career with the Rock Island in 1912 as stenographer to assistant secretary and continued as the latter's secretary and assistant until federal control of the railroad in 1918. He subsequently went to Washington, D. C., where he served



Arthur O. Gibson

in the office of the treasurer of the U. S. Railroad Administration until 1920. Returning then to the Rock Island, Mr. Gibson was appointed assistant to the vice-president, secretary and treasurer. He was elected assistant secretary and assistant treasurer of the company in January of this year, and, in the following April, was further advanced to secretary and assistant treasurer. He was serving in the latter posts at the time of his election as secretary and treasurer.

OPERATING

Floyd M. Davis has been appointed trainmaster of the Chicago, Indianapolis & Louisville, with headquarters at Lafayette, Ind., succeeding **G. H. Kern**, who has been relieved at his own request.

Joseph N. Broetzman, superintendent of the North Florida division of the Seaboard Air Line at Jacksonville, Fla., has been appointed assistant general manager at Savannah, Ga., succeeding **Curtis A. McRee**, who has been appointed assistant director of personnel at Norfolk, Va. **Charles I. Morton**, assistant superintendent at Raleigh, N. C., has been appointed superintendent of the Virginia division, with the same headquarters, succeeding **Ralph M. Stone**, who has been transferred to the North

Florida division, to succeed Mr. Broetzman. **Franklin Way**, trainmaster of the Carolina division at Savannah, has been appointed assistant superintendent of the



Joseph N. Broetzman

Virginia division at Raleigh. **John W. Thompson** has been appointed chief of safety and operating rules at Norfolk, succeeding **R. W. Parsons**, who has been appointed assistant to general manager at Jacksonville. **Stanley H. Morecock** has been appointed general supervisor of motor vehicle operations at Norfolk, succeeding the late **D. N. Peterman**, who died last month. **R. T. Lord** has been appointed supervisor of motor vehicle operations.

Mr. Broetzman has been in the Seaboard's service since January, 1923, and served in various capacities of increasing importance until his appointment as superintendent of the North Florida division, which position he held at the time of his recent promotion.

Mr. Morton was born at Wilmington, N. C., on October 17, 1899, and entered



Charles I. Morton

railroad service in 1915 as a call boy with the Atlantic Coast Line at Wilmington, later becoming assistant cashier at the agency at Goldsboro, N. C. In 1918 he became inspector of the North Carolina Demurrage Bureau, leaving

the following year to attend Trinity College. Mr. Morton entered the service of the Seaboard Air Line in March, 1920, as chief clerk to general yardmaster at Wilmington, subsequently serving as yardmaster, general yardmaster, terminal trainmaster, division trainmaster and office trainmaster at various points. In October, 1942, he was appointed assistant superintendent of the Virginia division at Richmond, Va., and from March 1 to July 1, 1945, he served as senior assistant superintendent of the North Florida division. Mr. Morton was appointed superintendent station operations on July 1, 1945, and served as assistant superintendent at Raleigh from August, 1946, until his recent appointment.

G. H. Borgman, supervisor of contracts in the operating department of the Chicago, Milwaukee, St. Paul & Pacific, at Chicago, has been appointed assistant to general manager at that point, a newly-created position.

J. A. Craddock, trainmaster of the Delaware, Lackawanna & Western at Binghamton, N. Y., has been promoted to assistant superintendent of the Scranton division at Scranton, Pa. **P. W. Strong**, trainmaster as Port Morris, N. J., succeeds Mr. Craddock at Binghamton. **R. A. Carroll** assistant trainmaster at Scranton, has been promoted to trainmaster at Hoboken, N. J., succeeding **Joseph Kapenos**, who has been assigned to Port Morris.

R. J. McMillin, trainmaster and rule instructor of the Ontario Northland, has been appointed superintendent of transportation, with headquarters at North Bay, Ont., succeeding **R. Workman**, who has retired on pension.

Morton S. Smith, superintendent of the Pennsylvania's Philadelphia division at Harrisburg, Pa., has been promoted to general superintendent at Chicago, succeeding **John H. Cooper**, who has been granted a leave of absence and who will retire on October 1. **R. W. Grigg**, superintendent of the Delmarva division at Cape Charles, Va., succeeds Mr. Smith at Harrisburg. Mr. Grigg's initials were incorrectly reported as G. W. Grigg in the *Railway Age* of July 3, page 42.

J. H. D. Robitaille has been appointed acting trainmaster of the Canadian National at Jonquiere, Que., succeeding **J. A. Lacasse**, who has been transferred to other duties.

W. H. Murray has been appointed assistant superintendent of the Montreal terminals of the Canadian National, with headquarters at Montreal, Que.

John R. Taylor, assistant to valuation engineer of the Missouri Pacific Lines, has been appointed assistant to the general manager, with headquarters at Houston, Tex., succeeding the late **G. C. Kennedy**.

H. C. Marrs, assistant trainmaster of the Chesapeake & Ohio, has been promoted to trainmaster, with headquarters as before at Ashland, Ky., succeeding **E. J. Lilly**, retired.

Edward P. Weathersbee, general yardmaster of the Atlantic Coast Line, has been appointed assistant trainmaster of the Wilmington district, with headquarters at Wilmington, N. C.

TRAFFIC

The following changes have taken place on the Chicago, Indianapolis & Louisville: **Walter F. Smith**, general freight agent at Chicago and Indianapolis, Ind., appointed southern traffic manager, with headquarters at the latter point, the post of general freight agent being abolished; **J. R. Mulroy** appointed coal traffic manager, at Chicago, his former position of general freight agent being abolished. **Frank A. Wisberg** appointed central traffic manager at Chicago; **Charles E. Rogland** appointed eastern traffic manager at New York; and **Gilbert L. Harris** appointed assistant general freight agent at Chicago, succeeding **Jess O. Shortell**, who has been granted a leave of absence due to illness.

The following general agents have been appointed: **C. T. Hill**, Tampa, Fla.; **Stanley L. Budd**, Winston-Salem, N. C.; **Ira C. Holmes**, Portland, Ore.; **W. W. Stumph**, Tulsa, Okla.; **Karl A. Voth**, Detroit, Mich., and **Robert S. Wagner**, LaFayette, Ind.

Matthew P. Rathbone, commercial agent of the Illinois Central, with headquarters at Kansas City, Mo., has been appointed general agent at that point, the post of commercial agent being discontinued.

Due to the recent death of **C. E. Lennon**, traffic manager and freight claim agent of the Texas Electric, at Dallas, Tex., the following personnel changes have taken place: **A. P. Smith**, general freight agent, appointed freight traffic manager; **H. C. McIntosh**, general passenger agent, appointed passenger traffic manager; and **C. G. Geddes** appointed freight claim agent.

Fred V. Schaf has been appointed traffic manager of the Portland Traction Company (Portland Railroad & Terminal Division), at Portland, Ore.

H. F. Zimmerman has been appointed general supervisor of merchandise service of the Chicago, Indianapolis & Louisville, with headquarters at Lafayette, Ind.

C. B. Kincaid, general passenger agent of the Chesapeake & Ohio at Huntington, W. Va., has been transferred to Cincinnati, Ohio.

Victor W. Lewis, general livestock agent of the Atlantic Coast Line at Savannah, Ga., has been appointed manager agri-

cultural and livestock development at Wilmington, N. C. **Alvan R. Howard**, general agricultural agent, has been appointed general agricultural and livestock agent, with headquarters as before at Wilmington. **Edward B. O'Kelley**, general agricultural agent at Jacksonville, Fla., has been appointed general agricultural and livestock agent, with the same headquarters.

W. W. Renfro, industrial agent of the Missouri-Kansas-Texas, with headquarters at Dallas, Tex., has been promoted to assistant director, industrial research and development, at that point.

William C. Schmidt, commercial agent of the Kansas City Southern, at Dallas, Tex., has been appointed general agent at Atlanta, Ga., succeeding **Paul L. Sensbach**, who has been transferred to Cincinnati, Ohio.

William P. Fallon, assistant general passenger agent of the Chesapeake & Ohio at Cincinnati, Ohio, has retired from active service, after 49 years of service.

Herndon T. Huntley, chief clerk to the agent of the Southern at Lenoir, N. C., has been promoted to district freight agent of that road and the Carolina & Northwestern at Hickory, N. C., succeeding **J. D. Wilson**, deceased. Mr. Huntley will also be in charge of sales and service matters on the latter road.

Roy L. Aker has been appointed assistant general freight agent—rates of the Chicago, St. Paul, Minneapolis & Omaha, at St. Paul, Minn., succeeding **R. B. Leng**, who has retired.

MECHANICAL

J. C. Parker, assistant superintendent of the car department of the Atlantic Coast Line, has been appointed superintendent of the car department with headquarters at Wilmington, N. C., and **Leon F. Harrison** succeeds Mr. Parker as assistant superintendent of the car department.

Frederick J. Herter, mechanical engineer of the Advisory Mechanical Committee of the Chesapeake & Ohio at Cleveland, Ohio, has been appointed engineer of car construction of that committee, with the same headquarters, succeeding **Thomas P. Irving**, retired.

R. A. Parrish, general foreman of the Georgia, has been appointed master mechanic, with headquarters as before at Augusta, Ga.

C. H. Knowlton, assistant engineer motive power of the New York Central system at New York, has been appointed engineering assistant to the chief engineer motive power and rolling stock, at New York, succeeding **J. E. Ennis**, who has retired after 37

years of service with this road. **G. M. Davies** has been appointed assistant engineer motive power, succeeding Mr. Knowlton.

August J. Brockman has been appointed general Diesel supervisor of the Southern at Spencer, N. C. succeeding **Aubrey M. Cary**.

J. C. Dietrich, acting master mechanic of the Missouri Pacific, has been appointed master mechanic of the Southern Kansas and Central divisions, with headquarters at Coffeyville, Kan., succeeding **A. R. Sykes**, who has retired.

Vern C. Golden, general mechanical assistant of the Chicago, Indianapolis & Louisville, at Lafayette, Ind., has been promoted to superintendent of motive power and equipment. Mr. Golden was born at Whitewater, Kan., on July 27, 1903, and received his higher technical training at Kansas State College. He began his railroad career in 1922 as an electrician with the Atchison, Topeka & Santa Fe at Newton, Kan., subsequently serving as machinist and automatic train control maintainer. He was appointed assistant supervisor of Diesel locomotives at Chicago in 1935, and electrical fore-



Vern C. Golden

man in air-conditioning and car lighting in 1938. He next held positions successively as roundhouse foreman and Diesel shop foreman, and served in the latter capacity until February 1, 1947, when he entered the service of the Monon as special assistant to the general manager. On April 1 of that year Mr. Golden was advanced to superintendent of Diesel locomotive maintenance and operation, and several months later he was appointed general mechanical assistant, the position he held at the time of his recent promotion.

ENGINEERING and SIGNALING

William G. Harding has been appointed architect for the Wabash, with headquarters at St. Louis, Mo. succeeding **R. E. Mohr**, who has retired.

H. B. McColgan, Jr., supervisor of bridges and buildings on the Scioto division of the Norfolk & Western, has been appointed assistant superintendent of the Scioto division at Portsmouth, Ohio, succeeding **John W. Neikirk**, who has been named manager of roadway maintenance, to succeed the late **J. R. Derrick**.

H. C. Minteer, assistant division engineer of the Chicago, Milwaukee, St. Paul & Pacific at Terre Haute, Ind., has been appointed division engineer there, succeeding **B. E. Daniels**, who has been transferred to Spokane, Wash.

W. C. Gretzinger, assistant division engineer of the Pennsylvania's Philadelphia Terminal division, has been appointed division engineer of the road's Grand Rapids division.

T. L. Carlson, circuit engineer in the office of the superintendent telegraph and signals of the Chesapeake & Ohio at Richmond, Va., has been appointed signal engineer, with the same headquarters.

PURCHASES and STORES

Nino Poncioni has been appointed storekeeper of the Western Pacific, with headquarters at Sacramento, Cal., succeeding **Henry J. Madison**, whose promotion to general storekeeper was reported in *Railway Age* of June 19.

SPECIAL

Howard S. James, assistant superintendent of the Denver & Rio Grande Western at Salt Lake City, Utah, has been appointed superintendent of safety and fire prevention-system, with headquarters at Denver, Colo., succeeding **Frank J. Pokorny**, who has been transferred to the road's engineering department.

John G. Guthrie has been appointed forestry agent of the Illinois Central in southern Mississippi, with headquarters at Hattiesburg, Miss.

OBITUARY

Hugh W. Siddall, railroad passenger traffic authority and chairman of the Trans-Continental and Western Passenger Association, at Chicago, died of a heart attack on June 27, at Las Vegas, Nev., as noted in *Railway Age*. Mr. Siddall, a railroad man all of his business life, received special recognition during World War II for his handling of troop movements as chairman of the Interterritorial Military Committee for the railroads. He had served in his last-held positions since 1932, and, in recent years, had testified often on behalf of the carriers at passenger rate hearings.

Mr. Siddall was born on April 1, 1885, at Evanston, Ill., and began his railroad career in 1898 as an office boy with the Chicago, Milwaukee, St. Paul & Pacific. He subsequently served as

junior clerk and passenger rate clerk until 1918, when he became a member of the passenger rate committee of the U. S. Railroad Administration. He rejoined the Milwaukee Road in 1920 as chief rate clerk, passenger department, and shortly thereafter accepted



Hugh W. Siddall

the post of secretary of the Trans-Continental Passenger Association. Mr. Siddall advanced to chairman of that association in January, 1929, and in 1932 he also became chairman of the Western Passenger Association.

Ben F. Morris, freight traffic manager of the Louisville & Nashville at Louisville, Ky., whose death was reported in *Railway Age* of June 12, was born on September 30, 1890, at Sulphur, Ky. Mr. Morris entered the service of the L. & N. in 1907 as a clerk in the office of the auditor of receipts, and shortly thereafter was transferred to the general freight office. Following service in



Ben F. Morris

various clerical positions, he was appointed commerce agent in 1926 and assistant to freight traffic manager in 1928. Mr. Morris was further promoted to assistant to vice-president—traffic, on April 1, 1937, and to freight traffic manager—rates and charges, on May 1, 1945. He was serving in the latter position at the time of his death.

She, too,
is truly
MODERN



She doesn't wear chrome trim, and her paint is black, but she, too, is truly modern. She was built for a job — a modern job — and she does it well.

With planned scheduling she can stay on the road 16 and 18 hours a day, 27 or 28 days a month. With proper servicing — and such servicing facilities save more than they cost — she can be turned around in an hour or two. With her modern design, based on progressive engineering, her maintenance costs are low. And with equal attention, she — the modern steam locomotive — will give you more train-miles, more ton-miles, more passenger-car miles per year for each dollar of investment than any other type of motive power.

There is a place for steam, and in this place the *modern* steam locomotive is doing an outstanding job. We are continuing to build such locomotives.



DIVISIONS: Lima, Ohio — Lima Locomotive Works Division; Lima Shovel and Crane Division. Hamilton, Ohio — Hooven, Owens, Rentschler Co.; Niles Tool Works Co.

PRINCIPAL PRODUCTS: Locomotives; Cranes and shovels; Niles heavy machine tools; Hamilton diesel and steam engines; Hamilton heavy metal stamping presses; Hamilton-Kruse automatic can-making machinery; Special heavy machinery; Heavy iron castings; Weldments.

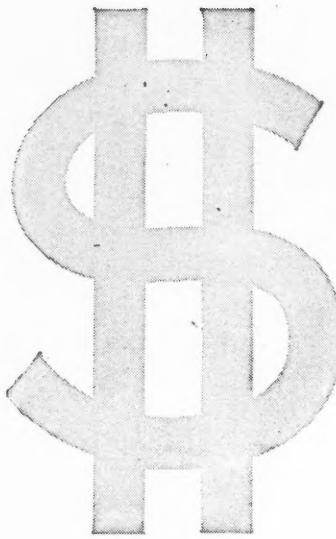
REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1948

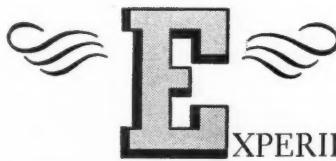
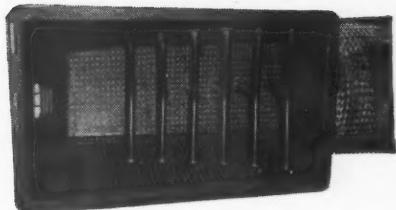
Av. mileage operated during period	Name of road	Operating Expenses										Net railway operating income					
		Maintenance of Way and structures			Maintenance of Equipment			Transpor- tation				Operating ratio	Railway operation tax accts.	1948	1947		
		Freight	Passenger	Total (inc. misc.)	Traffic	Port- tation	Total	131,731	300,724	61.9	71,183	93,485	465,296	363,118	379,856		
171	Akron, Canton & Youngstown.....	466,984	123	485,621	72,267	25,681	1,483,490	679,413	1,483,490	61.3	9,109,185	3,630,782	4,975,885	3,237,099	64,389		
171	Alachua, Topeka & Santa Fe System.....	2,322,271	323	2,416,367	333,477	230,666	1,247,914	32,447,795	15,476,194	78.1	43,879,900	25,648,688	20,836,081	18,643,738	379,856		
13,081	Atlanta & St. Andrews Bay.....	161,533,961	4,256,491	194,511,921	67,755,449	7,455,854	15,476,194	74,770,721	165,634,901	78.0	118,629	37,587	49,014,900	11,722,481	12,347,500		
82	Atlanta & West Point.....	13,081	20,357,203	199,511,921	36,488,108	4,786,000	12,404,877	74,770,721	165,634,901	78.0	118,629	37,587	49,014,900	11,722,481	12,347,500		
82	Atlantic Coast Line.....	5,572	224,594	232,434	21,938	16,085	6,087	253,872	113,806	49.0	119,439	47,3,857	47,3,857	47,3,857	52.3		
82	Charleston & Western Carolina.....	5,572	1,224	5,484	106,114	72,665	30,025	1,485,551	25,516,233	49,230,762	79.0	13,109,899	6,100,000	5,202,323	5,202,323	139,651	
93	Charleston & West Point.....	93	305,312	51,395	404,562	47,300	13,549	190,705	327,797	81.6	73,765	32,645	17,221	17,221	7,123		
93	Western of Alabama.....	1,441,943	268,066	1,937,959	173,653	259,865	68,784	934,754	1,554,522	80.2	383,437	183,798	89,664	89,664	-80,995		
133	Western of Atlantic Coast Line.....	133	439,393	43,473	58,876	13,403	170,528	170,528	79.1	81,014	44,584	19,136	20,657	19,136	89,247		
5,572	Staten Island Rapid Transit.....	5,572	9,965,430	1,332,332	12,865	286,666	216,216	1,429,710	1,429,710	76.6	435,579	237,094	191,361	191,361	13,052,073		
5,572	Baltimore & Ohio.....	5,572	4,975,096	6,684,045	62,340,661	10,322,638	9,300,591	1,485,551	1,485,551	52.3	1,003,686	556,802	556,802	556,802	52.3		
6192	Baltimore & Ohio.....	6192	31,056,217	1,885,412	35,665,914	4,922,693	6,809,559	775,000	1,526,645	79.7	7,207,269	3,037,044	3,933,709	3,933,709	1,190,453		
6192	Staten Island Rapid Transit.....	29	204,408	110,926	166,400,053	17,456,282	32,189,652	3,403,991	69,446,882	129,196,585	82.6	27,243,685	12,041,708	14,392,508	14,392,508	13,052,073	
602	Charleston & Western Carolina.....	343	472,480	2,631	486,062	7,351	78,549	14,140	187,124	75.0	121,651	35,000	76,755	76,755	26,187		
602	Baltimore & Ohio.....	343	2,052,703	18,282	2,128,324	388,718	385,558	71,073	1,459,496	1,760,238	82.7	368,086	155,000	167,726	167,726	215,924	
6192	Charleston & West Point.....	6192	138,593,809	9,044,371	156,440,053	17,456,282	32,189,652	3,403,991	69,446,882	129,196,585	82.6	27,243,685	12,041,708	14,392,508	14,392,508	13,052,073	
6192	Staten Island Rapid Transit.....	29	891,375	549,487	1,511,106	270,702	8,114	1,455	148,810	228,176	85.4	48,223	24,044	18,686	18,686	-63,823	
602	Bangor & Aroostook.....	602	1,081,771	39,074	1,156,009	244,529	179,310	7,279	304,963	780,040	67.5	375,986	190,783	198,855	198,855	29,374	
602	Baltimore & Ohio.....	602	7,366,881	211,340	7,968,822	1,182,164	1,026,413	2,126,932	2,126,932	72.2	1,459,270	1,459,270	1,826,341	1,826,341	1,190,453		
214	Baltimore & Ohio.....	214	3,045,044	1,304	3,066,308	222,745	186,863	91,972	1,459,496	1,760,238	82.7	1,720,303	829,508	1,112,800	1,112,800	1,053,090	
214	Staten Island Rapid Transit.....	214	7,916,107	6,049	8,000,623	2,411,281	2,411,281	91,972	2,113,390	5,775,658	72.2	2,226,975	1,662,108	2,072,702	2,072,702	2,244,618	
1,757	Staten Island Rapid Transit.....	1,757	5,830,453	1,031,723	5,787,312	1,155,295	1,117,403	89,572	3,064,425	5,687,300	75.0	1,900,281	891,550	684,610	684,610	608,276	
234	Staten Island Rapid Transit.....	234	29,366,633	5,747,706	38,594,152	6,810,035	5,822,774	493,933	16,607,907	31,237,854	80.9	7,356,298	3,221,524	1,940,030	1,940,030	2,542,118	
228	Burlington Rock Island.....	228	343,532	56,034	417,372	49,746	52,539	4,670	191,077	23,395	72.1	280,047	67.1	137,325	12,191	1,945	
228	Baltimore & Ohio.....	228	1,371,654	247,962	1,712,359	20,289	10,289	10,289	1,459,496	1,760,238	74.5	437,471	59,576	155,188	155,188	-71,481	
35	Baltimore & Ohio.....	35	127,905	127,905	127,905	127,905	127,905	127,905	127,905	127,905	127,905	-17,820	68,886	68,886	68,886	-54,546	
35	Staten Island Rapid Transit.....	35	535,880	535,880	536,308	536,308	536,308	536,308	536,308	536,308	536,308	-197,352	256,079	256,079	256,079	-139,639	
234	Staten Island Rapid Transit.....	234	358,307	288,803	318,723	81,288	81,288	81,288	81,288	81,288	81,288	105,917	434,901	434,901	434,901	-107,589	
234	Staten Island Rapid Transit.....	234	2,733,103	166,958	3,010,808	397,061	385,587	385,587	385,587	385,587	385,587	90.7	9,067,837	6,137,908	3,284,784	3,284,784	-32,918
90	Canadian Pacific Lines in Vermont.....	90	155,940	11,188	187,948	41,982	32,022	5,626	122,793	222,793	118.5	-34,845	18,494	-93,591	-93,591	-138,388	
90	Canadian Pacific Lines in Vermont.....	90	824,164	73,627	994,246	21,031	173,888	23,865	807,784	1,255,371	126.3	-261,125	88,628	-585,377	-585,377	-539,587	
1,815	Canadian Pacific Lines in Maine.....	1,815	2,833,617	23,390	3,333,619	69,641	49,641	105,240	105,240	105,240	67.9	549,666	263,762	197,621	197,621	-54,546	
1,815	Canadian Pacific Lines in Maine.....	1,815	13,076,933	1,261,985	15,773,919	2,389,073	2,481,240	511,668	7,399,042	13,017,800	86.3	2,156,119	1,312,662	718,654	718,654	-139,639	
417	Canadian Pacific Lines in Maine.....	417	490,515	3,506,817	433,795	411,807	320,837	503,109	503,109	503,109	86.2	484,972	434,901	-105,917	-105,917	-178,172	
417	Canadian Pacific Lines in Maine.....	417	13,259,783	2,535,557	17,013,003	2,301,837	2,945,751	2,945,751	2,945,751	2,945,751	90.7	1,543,738	2,186,129	-2,237,592	-2,237,592	-1,783,955	
213	Central of Pennsylvania.....	213	1,721,732	17,221	1,776,160	318,189	318,189	21,507	533,775	1,074,119	60.5	702,041	87,589	886,298	886,298	654,817	
213	Central of Pennsylvania.....	213	7,964,420	92,942	8,245,900	147,000	104,544	115,961	2,743,426	5,400,570	65.5	2,845,330	406,833	3,707,607	3,707,607	3,197,624	
422	Central of Georgia.....	422	875,000	887	908,000	64,700	64,700	64,700	105,245	105,245	67.9	544,500	263,762	197,621	197,621	61,855	
422	Central of New Jersey.....	422	3,745,000	267,000	4,274,000	2,388,772	2,438,772	2,438,772	2,438,772	2,438,772	60.7	824,845	313,650	266,332	266,332	81,454	
5,076	Central of New Jersey.....	5,076	12,500,904	2,262,000	16,628,000	4,083,812	4,333,685	4,333,685	4,333,685	4,333,685	60.7	10,170,056	5,449,155	3,284,784	3,284,784	1,612,426	
5,073	Central of New Jersey.....	5,073	11,707,534	4,100,210	12,077,210	19,013,517	24,936,155	3,834,936	3,834,936	3,834,936	91.5	2,967,769	13,336,491	8,185,582	8,185,582	593,878	
909	Chicago & Eastern Illinois.....	909	10,169,097	1,409,403	13,018,778	1,644,354	2,312,740	466,780	1,242,555	2,127,555	82.6	465,370	174,729	140,550	140,550	127,118	
909	Chicago & Eastern Illinois.....	909	10,337,066	1,409,403	13,018,778	1,644,354	2,312,740	466,780	1,242,555	2,127,555	82.3	2,304,337	1,007,177	784,946	784,946	233,012	
131	Chicago & Illinois Midland.....	131	3,357,598	3,401	3,438,465	418,004	624,469	124,676	622,990	2,026,436	73.3	440,379	219,154	140,550	140,550	161,426	
8,058	Chicago & Illinois Midland.....	8,058	12,527,848	2,462,000	16,628,000	2,470,472	2,849,581	1,529,581	1,529,581	1,529,581	87.4	5,358,967	316,952	63,872	63,872	593,878	
541	Chicago & Illinois Midland.....	541	1,434,572	1,434,572	1,434,572	1,434,572	1,434,572	1,434,572	1,434,572	1,434,572	87.4	419,717	92,733	24,357	24,357	1,191,059	
8,867	Chicago & Illinois Midland.....	8,867	15,220,044	1,497,547	18,32,696	3,092,329	3,803,157	376,335	6,395,384	13,315,569	73.0	4,957,501	2,020,497	2,513,766	2,513,766	1,189,941	
8,867	Chicago & Illinois Midland.....	8,867	76,846,250	7,159,796	92,638,485	13,206,598	13,949,308	1,987,685	33,630,539	66,093,539	71.3	2,569,946	12,678,560	11,739,779	11,739,779	1,188,408	
1,500	Chicago Great Western.....	1,500	12,558,536	50,541	48,401,811	70,147	32,972	122,872	198,771	2,026,436	73.4	4,765,752	2,620,873	1,308,670	1,308,670	1,189,067	
1,500	Chicago Great Western.....	1,500	12,527,848	2,462,000	16,628,000	2,470,472	2,849,581	1,529,581	1,529,581	1,529,581	87.4	17,006,800	7,635,210	3,284,784	3,284,784	1,086,155	
1,617	Chicago, Indianapolis & Louisville.....	1,617	10,400,210	7,630,106	1,008,297	1,007,375	364,780	5,872,587	8,782,587	8,782,587	77.1	1,747,510	445,935	772,907	772,907	-136,805	
317	Chicago, Milwaukee, St. Paul & Pacific.....	317	1,758,728	6,035	1,758,703	3,612,630	405,590	5,852,712	17,315,569	22,004	566,320	1,055,887	59.1	730,016	165,532	610,008	
317	Chicago, Milwaukee, St. Paul & Pacific.....	317	7,935,392	25,896	8,038,283	660,339	1,356,607	1,955,379	45,287,068	84,370,987	82.3	3,191,404	2,181,404	2,787,738	2,787,738	3,251,188	
745	Chicago, Rock Island & Pacific.....	745	12,514,626	6,617,728	16,628,000	1,99,192	1,678,710	1,678,710	1,678,710	1,678,710	80.3	111,568	93,420	1,036,187	1,036,187	61,974	
745	Chicago, Rock Island & Pacific.....	745	4,632,950	6,034,901	5,004,976	1,686,089	980,887	1,421,									

(Table continued on next left-hand page.)

Colorado & Southern 117,423 2,305,317 4,058,500 76,369
4,620,115 6,504,973 686,069 900,884
1,053,620 105,518 238,426 165,726
4,644,124 5,758,266 970,037 870,353
5 mos. 745 412,045 105,518 238,426
902 4,644,124 5,758,266
Ft. Worth & Denver City 5 mos.



**MORE DOLLARS
FROM GREATER
LOCOMOTIVE UTILIZATION**



EXPERIENCE on many railroads, under all kinds of operating conditions, has shown that in addition to improving the steaming performance of a locomotive, the installation of Security Circulators definitely reduces honeycombing, flue plugging and cinder cutting, and also lengthens the life of the arch brick.

This makes it possible to utilize the locomotive more continuously between shoppings—thereby increasing its effective earning capacity and decreasing maintenance expense.

SECURITY CIRCULATOR DIVISION

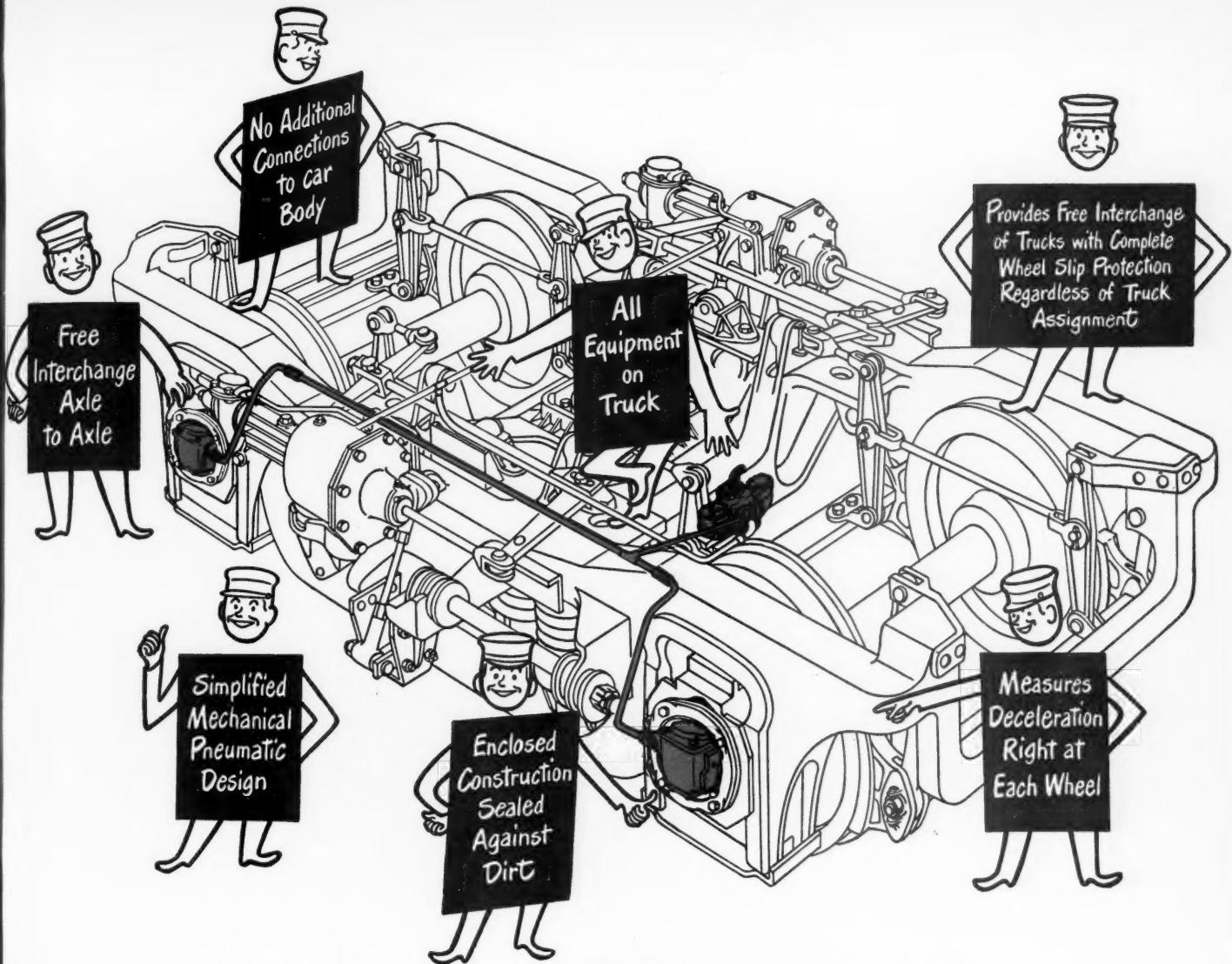
AMERICAN ARCH COMPANY INC.

NEW YORK • CHICAGO

REVENUES AND EXPENSES OF RAILWAYS

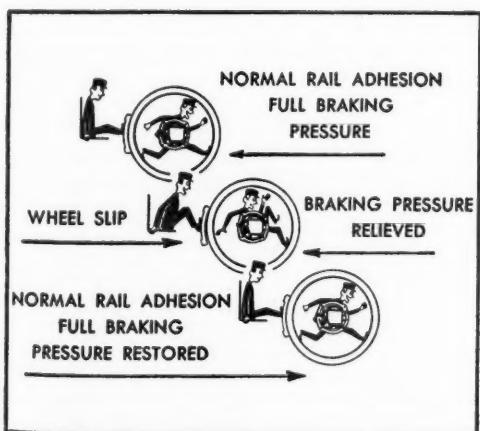
MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1948

Name of road	Av. mileage operated during period	Operating revenues		Maintenance of way and equipment		Operating Expenses		Net from railway operation	Railway tax accruals	Net railway operating income
		Freight	Passenger (inc. misc.)	Total	Equipment	Traffic	Transportation			
Colorado & Wyoming	5 mos.	14,054	230,132	230,132	10,855	21,485	451	82,513	124,302	54.0
Colorado & Rio Grande	5 mos.	670,986	1,097,826	1,097,826	49,341	110,447	2,321	416,132	613,702	55.9
Columbus & Greenville	5 mos.	144,066	580	144,066	50,542	29,288	577	50,939	154,439	34.5
Delaware & Hudson	5 mos.	168	73,955	73,955	17,885	127,836	24,949	231,334	645,026	81.1
Delaware, Lackawanna & Western	5 mos.	794	4,843,118	4,843,118	645,633	1,085,759	75,519	1,843,904	3,800,298	75.3
Delaware, Lackawanna & Western	5 mos.	22,682,415	24,061,785	24,061,785	2,738,146	5,323,204	338,609	9,542,473	18,813,212	78.2
Detroit, Toledo & Ironton	5 mos.	973	20,835,627	4,261,176	7,712,833	1,230,260	1,211	1,195,198	5,749,843	74.5
Detroit, Toledo & Ironton	5 mos.	2,443	5,295,919	200,106	5,777,744	5,803,656	706,247	1,723,140	29,159,406	78.8
Duluth, Missabe & Iron Range	5 mos.	23,443	23,655,815	1,043,855	25,710,926	542,614	130,475	1,877,447	3,626,320	63.5
Duluth, Missabe & Iron Range	5 mos.	230	168,621	1,043,855	25,710,926	3,966,523	673,072	0,424,335	18,228,857	70.9
Duluth, Missabe & Iron Range	5 mos.	785,263	9,432	844,654	162,500	22,775	1,389	33,412	97,014	54.0
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	37,432	480,468	56.8
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	464	6,112,880	3,597	6,401,796	668,213	1,376,224	133,483	2,287,133	52.0
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791	1,426,725	28,970,831	78.3
Duluth, Missabe & Iron Range	5 mos.	175	326,000	6,100	2,842,674	40,723	1,324	142,531	249,901	48.5
Duluth, Missabe & Iron Range	5 mos.	50	2,842,116	50	2,842,644	303,775	192,867	60,857	858,284	53.5
Duluth, Missabe & Iron Range	5 mos.	464	1,139,460	3,804	1,188,849	145,211	264,229	105,456	1,644,534	62.1
Duluth, Missabe & Iron Range	5 mos.	569	6,154,309	1,905	6,039,750	59,914	448,224	89,983	2,389,333	39.4
Duluth, Missabe & Iron Range	5 mos.	569	9,542,805	9,430	11,143,806	2,317,566	2,252,732	3,817,853	8,727,754	78.3
Duluth, Missabe & Iron Range	5 mos.	22,229	63,203,003	3,171,666	70,557,494	7,384,239	11,627,791			



the figures tell the story of **Westinghouse**

AP DECELOSTAT ADVANTAGES



Millions of miles of travel without sliding a wheel have been reported by railroads with Westinghouse AP Mechanical-Pneumatic Decelostat installations. The dollar value of this performance, in terms of reduced wear on equipment and maintenance of maximum braking efficiency under all rail conditions, makes it an impressive return on investment.

As all equipment is on the truck, and no additional connections to car body, free assignment of trucks is possible. Enclosed, dirt-sealed construction enhances integrity of operation. Simplified mechanical-pneumatic design acts positively—relieves brake pressure at the first hint of wheel slip.

Ask for Bulletin DL2461-1. It gives the complete story.



Westinghouse Air Brake Co.

WILMINGTON, PA.

REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1948

Name of road	Av. mileage operated during period	Operating revenues			Maintenance of equipment			Operating Expenses			Net from railway operation	Railway tax accruals	Net railway operating income				
		Passenger		Total (inc. misc.)	Traffic	Transportation		Total	Operating ratio	1948		1947					
		Freight	Way and structures	403,677	400,549	13,786	740,338	1,624,311	75.9	2,511,949	2,52,921	155,564	921,803				
Main Central	May	988	1,837,785	143,550	403,677	400,549	13,786	740,338	1,624,311	75.9	2,511,949	2,52,921	155,564				
5 mos.	9,882	9,892,371	735,202	11,301,334	1,914,006	2,055,705	85,283	4,408,298	8,789,385	77.8	2,511,949	1,055,803	921,803				
Midland Valley	May	334	167,042	22	17,148	32,083	17,243	3,082	45,947	120,824	70.5	60,659	1,124,959	921,803			
5 mos.	839,903	839,903	839,903	839,903	839,903	839,903	839,903	839,903	839,903	839,903	839,903	839,903	839,903				
Minneapolis & St. Louis	May	1,401	7,526,966	8129	1,588,058	337,241	263,208	107,129	541,066	1,336,094	84.1	251,964	164,812	107,203			
5 mos.	7,323,300	7,323,300	7,323,300	7,323,302	7,323,302	7,323,302	7,323,302	7,323,302	7,323,302	7,323,302	7,323,302	7,323,302	7,323,302				
Minn., St. Paul & S. St. Louis	May	3,225	2,447,141	719,474	2,104,194	6,712,015	486,580	52,047	1,135,524	2,384,293	88.1	323,257	243,257	104,553			
5 mos.	5,225	10,760,887	415,472	12,014,194	2,738,476	2,636,143	295,687	5,972,584	12,217,498	101.7	203,304	1,116,563	—1,334,342	364,512			
Duluth, South Shore & Atlantic	May	530	2,444,086	8262	536,500	11,402	91,114	15,162	1,194,089	4,422,515	87.8	113,986	30,469	75,519	31,475		
5 mos.	530	142,910	142,910	142,910	142,910	142,910	142,910	142,910	142,910	142,910	142,910	142,910	142,910	142,910			
Spokane International	May	152	748,306	8,253	1,485	1,802,534	294,968	19,005	296,204	647,251	79.5	166,915	59,348	54,548	65,533		
Mississippi Central	May	148	189,518	857,066	1,878	192,570	34,375	18,140	42,426	113,390	57.5	83,814	29,786	35,289	20,093		
Missouri & Arkansas	May	3,253	502,327	502,327	502,327	502,327	502,327	502,327	502,327	502,327	502,327	502,327	502,327	502,327			
Missouri-Illinois	May	172	42,668	386	426,395	67,740	40,808	7,001	111,602	227,384	53.4	198,011	82,561	100,703	81,261		
Missouri-Kansas-Texas Lines	May	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726	1,846,726			
Missouri Pacific	May	7,012	72,590,657	14,800,032	1,124,034	17,328,015	2,574,104	2,822,586	3,089,620	11,384,224	13,507,989	77.7	3,870,146	1,277,148	1,940,695	1,119,278	
5 mos.	7,012	72,590,657	5,319,790	5,319,790	5,319,790	5,319,790	5,319,790	5,319,790	5,319,790	5,319,790	5,319,790	5,319,790	5,319,790	5,319,790			
Gulf Coast Lines	May	7,119	3,745,816	3,961,034	74,941	78,810	41,218,070	14,248,054	1,049,051	36,115,561	67,765,551	79.4	5,777,924	7,829,104	9,527,893	9,527,893	
5 mos.	7,119	20,288,451	432,341	21,599,716	3,815,905	2,184,260	386,225	6,728,879	13,697,234	63.7	3,129,436	3,129,436	740,407	657,558	3,383,806		
International-Great Northern	May	1,110	2,128,907	907	1,110	1,567,336	6,356,694	3,064,900	49,127	5,563,691	4,723,542	74.3	6,633,152	640,822	397,939	31,163	
5 mos.	1,110	11,209,832	908,538	13,380,807	30,362,401	4,151,246	4,227,502	1,080,987	251,051	12,827,342	23,668,496	77.9	2,758,774	2,410,225	1,940,695	1,940,695	
Monongahela	May	170	3,187,433	817,433	1,036	3,216,034	2,574,104	2,822,586	9,881	1,223,665	1,375,447	45.2	452,252	101,657	225,706	302,036	
5 mos.	170	306,905	306,905	306,905	306,905	306,905	306,905	306,905	306,905	306,905	306,905	306,905	306,905	306,905			
Montour	May	51	1,110,046	1,114,940	1,114,940	1,114,940	1,114,940	1,114,940	1,114,940	1,114,940	1,114,940	1,114,940	1,114,940	1,114,940			
Nashville, Chattanooga & St. Louis	May	1,051	12,440,421	976,533	1,036	1,036	2,361,335	2,361,335	2,361,335	2,361,335	2,361,335	2,361,335	2,361,335	2,361,335			
5 mos.	1,051	47,310,632	9,486,844	63,632,664	8,647,795	13,198,931	9,064,700	28,233,198	54,028,883	84.9	3,678,061	3,678,061	5,309,676	5,309,676			
New York Central	May	10,755	219,560,188	48,855,871	300,749,717	22,891,728	10,162,265	9,636,638	63,779,351	5,003,613	14,018,860	20,838,924	87.9	32,795,022	2,809,318	10,749,268	10,749,268
5 mos.	10,755	219,560,188	48,855,871	300,749,717	22,891,728	10,162,265	9,636,638	63,779,351	5,003,613	14,018,860	20,838,924	87.9	32,795,022	2,809,318	10,749,268	10,749,268	
Pittsburgh & Lake Erie	May	223	3,896,350	92,633	42,633	265,419	4,112,449	40,966,996	935,989	6,926,239	1,298,024	2,966,989	72.1	1,145,450	686,287	940,305	765,444
5 mos.	223	16,080,837	486,239	17,233,982	2,121,509	4,585,097	311,432	6,389,559	14,223,139	82.6	2,990,843	321,344	243,241	178,359	178,359		
New York, Chicago & St. Louis	May	1,051	12,440,421	84,928,691	2,872,333	516,322	524,510	102,490	451,522	2,302,764	82.0	290,391	141,026	240,064	195,906		
5 mos.	1,051	47,310,632	9,486,844	63,632,664	8,647,795	13,198,931	9,064,700	28,233,198	54,028,883	84.9	3,678,061	3,678,061	5,309,676	5,309,676			
New Haven & Hartford	May	1,051	40,439,717	57,524,170	22,891,728	10,162,265	9,636,638	63,779,351	5,003,613	14,018,860	20,838,924	87.9	12,979,493	5,300,000	2,162,393	1,699,953	
5 mos.	1,051	40,439,717	57,524,170	22,891,728	10,162,265	9,636,638	63,779,351	5,003,613	14,018,860	20,838,924	87.9	12,979,493	5,300,000	2,162,393	1,699,953		
New York Connecting	May	21	1,146,086	2,196,772	9,050,481	13,475,203	1,285,527	23,182,044	49,551,511	69.8	438,064	21,452,131	12,744,600	13,554,286	228,557		
New York, Ontario & Western	May	544	3,016,111	22,682	3,288,516	1,064,021	6,870,755	5,063,012	1,042,588	13,715,440	2,357,504	62,164	146,700	65,420	59,562	—34,444	
5 mos.	544	3,016,111	22,682	3,288,516	1,064,021	6,870,755	5,063,012	1,042,588	13,715,440	2,357,504	62,164	146,700	65,420	59,562	—34,444		
New York, Susquehanna & Western	May	120	1,880,048	50,127,855	2,601,062	57,524,170	21,804,182	1,233,391	2,180,410	8,485,271	1,026,074	78.7	73,348	2,428,742	1,548,290	1,163,008	
5 mos.	120	1,880,048	50,127,855	2,601,062	57,524,170	21,804,182	1,233,391	2,180,410	8,485,271	1,026,074	78.7	73,348	2,428,742	1,548,290	1,163,008		
Norfolk & Western Pacific	May	2,129	16,760,856	423,596	17,810,255	1,822,926	2,967,946	257,472	5,069,176	12,029,073	59.5	62,622	7,232,182	3,634,427	4,427,480	3,689,886	
5 mos.	2,129	66,064,301	2,196,922	40,935	3,105,833	760,628	378,736	2,755,828	822,834	65.3	435,627	211,393	12,744,600	13,554,286	228,557		
Oklahoma City-Ada-Atoka	May	132	388,595	1,094	3,720,619	1,130,375	92,840	1,222	2,376,339	628,339	81.1	146,700	65,420	59,562	—34,444		
5 mos.	132	388,595	1,094	3,720,619	1,130,375	92,840	1,222	2,376,339	628,339	81.1	146,700	65,420	59,562	—34,444			
Pennsylvania	May	10,108	10,088,339	516,112	11,603,583	2,103,721	2,165,206	5,474,785	4,032,116	9,126,074	78.7	73,348	2,428,742	1,548,290	1,163,008		
5 mos.	10,108	10,088,339	516,112	11,603,583	2,103,721	2,165,206	5,474,785	4,032,116	9,126,074	78.7	73,348	2,428,742	1,548,290	1,163,008			
Northwestern Pacific	May	331	645,347	10,032	670,431	1,217,900	883,446	5,048	3,026,667	5,630,121	79.1	140,310	41,789	46,524	34,761,397	6,583,455	
5 mos.	331	645,347	10,032	670,431	1,217,900	883,446	5,048	3,026,667	5,630,121	79.1	140,310	41,789	46,524	34,761,397	6,583,455		
Long Island	May	376	1,418,182	2,633,234	4,212,616	763,206	25,529	72,120	1,026,074	10,629,073	88.4	3,634,427	4,427,480	3,689,886	1,624,434		
5 mos.	376	1,418,182	2,633,234	4,212,616	763,206	25,529	72,120	1,026,074	10,629,073	88.4	3,634,427	4,427,480	3,689,886	1,624,434			
Long Island	May	6,244,909	12,186,162	19,498,932	3,409,191												

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REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MAY AND FIVE MONTHS OF CALENDAR YEAR 1948

Name of road	Av. mileage operated during period			Operating revenues			Maintenance of equipment			Operating Expenses			Net from railway operation			Net railway operating income		
	Freight	Passenger	Total (inc. misc.)	Way and structures	Traffic	Trans. portation	Total	Operating ratio	Railway operation	Railway tax accruals	Total	Operating ratio	Railway operation	Railway tax accruals	Total	Operating ratio		
Pennsylvania-Reading Seashore Lines... May 5 mos.	389	592	889	266,122	199,718	118,953	12,170	10,015	937,949	105.6	10,48	1947	10,48	10,48	1947			
Pittsburgh & Shawmut..... May 6 mos.	97	2,759	4,438	1,037,591	4,006,520	1,037,767	623,25	2,842,537	4,75,474	117.7	—49,817	—243,853	—49,817	—243,853	—49,817	—243,853		
Pittsburgh & West Virginia..... May 6 mos.	135	1,314	853	.....	316,704	64,224	36,314	3,3882	7,78,567	191,915	60.8	123,789	534,769	—1,853,320	62.2	—1,607,625	
Rutland..... May 6 mos.	135	97	1,881	701	1,183,653	1,885,475	107,395	1,017,836	33,103	1,17,303	786,337	65.9	40,727	162,780	52,551	62.8	52,551	
Reading..... May 5 mos.	1,351	9,788	471	637,192	10,934,503	1,679,598	2,009,903	125,777	4,10,548	8,268,03	75.6	2,686,472	1,323,812	1,382,907	75.6	1,095,741		
Sacramento Northern..... May 5 mos.	5	45,555	299	3,305,545	51,442,082	9,481,850	9,856,587	632,798	21,063,922	41,233,960	80.1	10,218,102	5,325,402	4,606,934	80.1	5,219,921		
Richmond, Fredericksburg & Potomac..... May 6 mos.	118	1,580	052	4,426,888	2,255,758	2,256,758	1,393,803	19,043	9,11,263	1,665,809	73.8	7,08,954	265,504	201,682	73.8	201,682		
St. Louis, San Francisco & Texas..... May 5 mos.	118	7,238	194	2,944,891	11,559,924	1,278,048	1,898,478	92,118	4,71,370	8,381,736	72.5	3,178,188	1,432,054	1,190,386	72.5	1,333,321		
St. Louis-San Francisco..... May 5 mos.	159	407	443,755	2,188	543,779	1,708,71	88,573	12,535	269,932	455,437	84.3	85,342	36,749	28,315	84.3	28,315		
St. Louis Southwestern Lines..... May 5 mos.	269	199	632	.....	5	79,701	257	117,600	26,715	69,449	6,233,399	108.8	211,618	183,321	—58,736	—58,736	
St. Louis-San Francisco..... May 5 mos.	4,645	38,308	217	654,577	9,213,153	1,396,931	1,50,436	286,558	4,086,883	7,67,801	83.3	1,535,102	883,282	667,444	83.3	667,444		
St. Louis, San Francisco & Texas..... May 5 mos.	159	1,703	263	3,034,177	17,502	44,810,821	6,819,895	7,488,076	1,225,329	20,106,039	37,658,301	81.0	7,182,320	4,324,186	3,221,939	81.0	3,221,939	
St. Louis, San Francisco & Texas..... May 5 mos.	159	1,975	540	172,696	2,536,380	331,542	466,182	66,579	1,37,111	2,324,762	91.7	211,618	147,612	112,882	91.7	112,882		
Alabama Great Southern..... May 5 mos.	1,575	4,751	251	58,362	4,971,925	692,708	592,845	132,829	1,651,779	3,232,710	65.0	1,738,172	128,216	18,142	65.0	18,142		
Seaboard Air Line..... May 6 mos.	4,152	10,083	943	973,641	11,693,764	1,772,801	1,932,444	302,181	4,468,665	8,928,277	76.3	10,177,632	4,105,688	4,836,720	76.3	4,836,720		
Southern..... May 5 mos.	4,152	47,051	558	7,551,664	58,691,048	8,876,060	9,698,764	1,511,328	2,025,055	45,107,418	77.4	13,293,350	5,768,583	5,892,432	77.4	5,892,432		
St. Louis-San Francisco & Texas..... May 5 mos.	6,483	17,348	329	1,617,729	20,31,299	2,72,437	3,604,737	8,532,076	15,803,121	77.8	4,503,038	1,550,364	2,398,976	77.8	2,398,976			
St. Louis-San Francisco & Texas..... May 5 mos.	8,079	9,831	100	884,037	13,577,724	17,751,161	1,769,839	39,016,635	75,923,622	75.4	24,751,415	11,038,785	11,600,593	9,465,233	9,465,233			
Alabama Great Southern Lines..... May 5 mos.	316	1,371	646	47,512	517,392	272,891	257,611	9,582,845	1,651,779	3,232,710	65.0	1,738,172	128,216	18,142	65.0	18,142		
Cin., New Orleans & Texas Pacific..... May 5 mos.	337	1,527	558	3,720	3,256	18,392,93	3,466,468	402,718	618,623	1,125,175	2,982,004	65.6	1,767,337	1,223,505	1,203,903	65.6	1,203,903	
Georgia Southern & Florida..... May 5 mos.	337	4,485	627	81,027	66,654	16,356,131	1,931,938	3,080,186	278,803	1,898,286	65.0	5,727,388	2,916,505	3,553,457	65.0	3,553,457		
Texas & New Orleans..... May 5 mos.	397	2,417	550	415,435	3,101,978	12,66,654	12,88,709	67,055	8,08,124	224,922	443,022	73.0	163,586	80,215	56,266	73.0	56,266	
New Orleans & Northeastern..... May 5 mos.	204	946	002	47,512	517,164	1,030,253	129,408	108,178	17,886	281,363	500,280	53.4	4,464,499	1,049,499	1,049,499	53.4	1,049,499	
Spokane, Portland & Seattle..... May 5 mos.	445	4,554	763	517,392	9,582,845	1,651,779	1,769,839	1,582,882	9,11,012	1,278,463	8,833,176	55.6	2,259,725	988,755	975,930	55.6	975,930	
Southern Pacific..... May 5 mos.	8192	29,568	042	3,712	3,256	35,66,624	4,341,339	6,973,619	702,976	15,458,900	20,401,201	82.8	6,105,333	1,194,463	1,567,975	82.8	1,567,975	
Texas & New Orleans..... May 5 mos.	8,194	146,472	865	18,420	796	17,735,880	1,931,938	3,439,337	3,406,002	1,855,261	140,864,106	79.4	36,371,774	19,047,554	12,724,538	79.4	12,724,538	
Texas Mexican..... May 5 mos.	1,316	4,447	763	3,712	3,256	1,030,253	129,408	108,178	17,886	281,363	500,280	53.4	4,464,499	1,049,499	1,049,499	53.4	1,049,499	
Tennessee Central..... May 5 mos.	286	4,751	252	447,801	9,474	1,651,779	1,769,839	1,582,882	9,11,012	1,278,463	8,833,176	55.6	2,259,725	988,755	975,930	55.6	975,930	
Toledo, Peoria & Western..... May 5 mos.	286	1,831	385	30,588	1,971	359	1,651,779	1,769,839	1,582,882	9,11,012	1,278,463	8,833,176	55.6	2,259,725	988,755	975,930	55.6	975,930
Union Pacific System..... May 5 mos.	1,854	5,581	1,223	452,053	6,447,976	1,769,622	1,318,762	894,692	894,692	1,153,552	6,644,203	71.4	1,818,550	742,433	728,258	71.4	728,258	
Utah..... May 5 mos.	162	23,772	02	81,995	2,006,587	2,028,231	31,017	124,976	5,409	28,347	324,274	63.5	1,84,177	32,220,382	130,321	130,321	130,321	
Ann Arbor..... May 5 mos.	111	1,844	997	66	1,208,396	2,028,231	3,266,512	1,164,245	95,498	7,630,019	1,651,348	87.4	18,142	1,03,333	1,03,333	18,142	18,142	
Virginian..... May 5 mos.	239	661	3,724	144	4,751	3,828,760	22,673	32,844	8,780	1,05,581	1,889,887	64.7	607,984	234,823	273,974	64.7	273,974	
Wabash..... May 5 mos.	2,393	661	1,693	728	3,296	8,506,843	22,839	116,201	1,61,152	1,482,944	1,113,277	64.7	607,984	234,823	273,974	64.7	273,974	
Utah..... May 5 mos.	1,111	184	997	.....	731,077	165,544	228,100	3,184	7,527	857,184	2,460,055	54.5	1,742,314	833,000	1,115,481	54.5	1,115,481
Western Maryland..... May 5 mos.	837	3,488	570	3,724	144	1,721,261	22,839	116,201	1,61,152	1,482,944	1,114,146	54.5	1,457,592	833,000	1,120,331	54.5	1,120,331	
Western Pacific..... May 5 mos.	1,195	661	1,764	580	23,712	14,924,518	1,836,313	3,473,082	192,755	3,892,882	1,807,811	60.2	4,338,707	1,230,763	1,230,763	60.2	1,230,763	
Wheeling & Lake Erie..... May 5 mos.	505	3,120	517	16,444	829	16,444,829	1,769,622	1,246,245	1,246,245	1,246,245	1,246,245	71.4	2,027,722	507,984	507,984	71.4	507,984	
Wisconsin Central..... May 5 mos.	1,051	13,139	713	12,10	13,139	13,139,713	16,444,829	1,769,622	1,246,245	1,246,245	1,246,245	71.4	2,027,722	507,984	507,984	71.4	507,984	

*Credit.

GENERAL NEWS

Rate Irregularities

(Continued from page 46)

also was discontinued. The F.B.I., he said, has not taken any steps in the matter, although, he added, "the F.B.I. has not taken me into its confidence." Mr. Barton testified that he knew of instances in which the government and private industry were charged different rates and also where several federal agencies paid different rates for essentially the same railroad service.

Defense of the Army's system of handling rate problems and transportation procedures, meanwhile, was made before the subcommittee by Colonel E. B. Gray, chief of the movements division of the Office of the Chief of Transportation. During the first six months of 1948, he said, negotiations by his office for adjustments of freight rates resulted in savings of approximately \$16 million, or almost double the savings made in 1947. He also informed the House group that Secretary of Defense Forrestal has ordered a joint study of traffic rate procedures of the Army and Navy in order to attain comparative figures for rates on military traffic and on government traffic handled by other government departments and to determine whether the military rate program is in line with similar procedures in private industry.

For the most part, other witnesses appearing before the subcommittee also urged the creation of a centralized traffic bureau because of the "great reluctance" of separate agencies to fight high rates. They included Examiner O. L. Mohundro of the commission; W. J. Vaughn, staff assistant in the transportation division of the G.A.O.; M. D. Miller, trial attorney, Post Office Department; W. J. Massey, assistant general counsel of the G.A.O., who said that the G.A.O. had advocated such a bureau 20 years ago; and J. C. Winter, transportation specialist with the Department of Agriculture.

Meanwhile, Representative Bender, who ordered the hearings recessed on July 8 until further notice, commented during the course of last week's proceedings that "while the basic cause of waste in federal traffic activities is the lack of efficient centralized control, the . . . waste of public funds during the war and the failure to ask for special rates or to protest improper rate practices leads me to believe that gross negligence or worse on the part of government officials is involved." "We want to correct any practice that creates conditions where the taxpayer suffers as the result of either a lack of coordination or mismanagement or a lack of cooperation on the part of government agencies," he added.

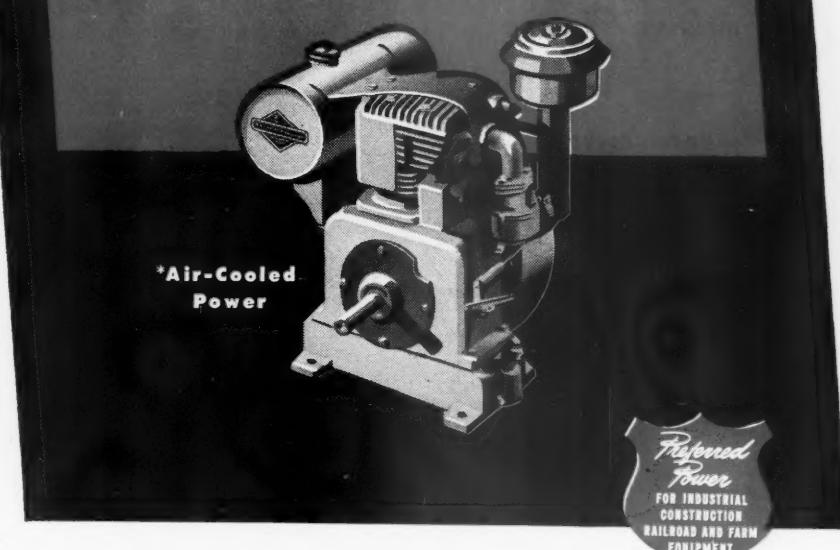
Earlier, he observed that previous hearings before the subcommittee resulted in testimony to the effect that as much as \$300 million in overpayments by the government to the railroads went undetected as a consequence of accelerated audit procedures instituted

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75,5
754,448
1,752,53
2,904,588
2,484,453
3,380,413
870,762
1,342,575
5,584,104
1,705,249

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during the war. "A re-audit has already been initiated," he said, "and already oversights and errors involving very considerable sums have been picked up. . . . It is shocking to realize that the federal government, which is by far the largest shipper, has utterly inadequate facilities either for negotiating reasonable commodity rates or for filing complaints against the unreasonableness of rates already announced. It has failed to discharge its responsibility and to protect the expenditure of public funds in this field. . . ."

L. O. Grondahl Receives Medal

Lars Ola Grondahl, formerly director of research and engineering of the Union Switch & Signal Co. and now consultant in research for that company and the Westinghouse Air Brake Company, last week received another honor, the "Medal for Merit for outstanding service rendered through the Office of Scientific Research and Development to the Armed Forces in World War II". The award was presented at a joint Army and Navy ceremony at the headquarters of the Second Army at Fort George G. Meade, Md., on July 2.

The award was made primarily for work in connection with the development of a radio-controlled bomb of the type dropped from an airplane using a bomb sight. Under combat conditions, the errors in such bombings are often very large. The problem that was undertaken and solved was the development of a control that would correct these errors. The control that was developed consists of steering surfaces mounted on the bomb, and operated through Servo motors placed in the bomb structure. These motors are controlled by a radio receiver in the bomb activated by a transmitter in the bombardier's compartment of the bombing plane. Means were provided for the bombardier to estimate the error in his release during the descent of the bomb. The error was corrected by operating a control stick on the transmitter which selected the radio messages to be sent to the radio receiver in the bomb. This involved very difficult problems in physics and engineering.

Free Enterprise Means Higher Living Standard, Says Woodruff

Courage and the investment of private capital are the foundation stones for progress under the free enterprise system which brings better standards of living in the United States, R. E. Woodruff, president of the Erie, said in Susquehanna, Pa., recently. Speaking at the civic celebration marking the 100th anniversary of the completion of the road's Starrucca viaduct, which carries the main line across the Starrucca valley near Susquehanna, Mr. Woodruff added that the structure "is a typical example of the genius and creative ability that is developed by men who

are free to exercise their individual initiative."

Pointing out that Susquehanna and the Erie have grown together, the railroad officer concluded by saying: "With all the improvements the Erie has been able to make, we can all take pride in the fact that we are not only building a better railroad but are also contributing to the prosperity and well-being of the communities it serves. All of these improvements have been brought about by the investment of money on the part of individuals as well as the company—money invested with the hope of getting a return on the investment. Ours is a profit and loss system—sometimes money is made and sometimes money is lost—but there is always hope that there will be a return on the money invested. That is the money used to buy Diesels, new cars, rebuild and remodel cars, and buy modern tools and machinery to furnish better transportation, which in turn provides greater employment."

Public Opposes Nationalization Of Railroads, A.A.R. Poll Shows

The great majority of the American people are opposed to nationalization of the railroads of this country, according to the results of the annual nationwide survey of public opinion with respect to railroads which was conducted recently for the Association of American Railroads.

The poll, it was disclosed by William T. Faricy, president of the A.A.R., shows that only 13 per cent of the people questioned favor government operation of the railroads, and that many of them hold this view primarily because they believe government operation could prevent strikes. Opposition to the government's running the railroads, the survey brought out, is based largely on objection to the principle of government in business.

Seventy per cent of those interviewed regard the railroads as the transportation system most important to the country's business, Mr. Faricy stated. He also reported that the poll showed that public preference for rail travel over air travel increased in 1948, 55 per cent of the people this year having indicated they would rather travel by rail, as compared with 51 per cent in 1947. Many of those who said they would rather go by rail gave safety and spaciousness of trains or freedom of movement as the reasons for their choice.

Mr. Faricy said that the survey disclosed that 41 per cent of the public know that there have been recent increases in railroad freight rates and that more than two-thirds of these people feel that the increases were justified and will have relatively little effect on retail prices. The median estimate of what would be a fair rate of return on net investment for the railroads, according to the survey, is 9 per cent, which is more than two and one-half times the rate earned in 1947.

Current Publications

PAMPHLETS

Cincinnati and Ohio—Their Early Railroads, by Gustav Metzman. 32 pages. Address delivered during the "1948 Cincinnati Dinner" of The Newcomen Society of England . . . held at Queen City Club, Cincinnati, O., on April 30, 1948. Printed at the Princeton University Press, Princeton, N. J.

This Newcomen Address deals with the lives and times and influence of Ohio men who made possible the early railroads at Cincinnati and in Ohio. Mr. Metzman says his purpose is "to present a picture of the times and of the men that made Cincinnati's early progress so conspicuous; rather than to discuss in detail the physical extension of early railroads. To do justice to the latter would require a fat volume—which you would not read."

How to Read the Financial Section of a Newspaper, by C. Norman Stabler. 55 pages, illustrations. Published by the New York Herald Tribune, 230 W. 41st st., New York 18. Price \$1.

Now in its seventh revised and enlarged edition, this pamphlet is designed to acquaint readers with the important features of the financial and business pages of a newspaper and to assist students of economics in schools and colleges. The first chapter discusses the financial section of the newspaper as a whole, and includes a list of the barometers of business and finance. This is followed by chapters outlining the operations and functions of the markets (stock, bond, commodity) the Federal Reserve System, the capital market, government control and the international bank and fund. Succeeding chapters cover the construction and use of indexes, the alphabetical government agencies and definitions of terms.

TRADE PUBLICATION

Growing with America. 45 pages, illustrations. Published by the Carnegie-Illinois Steel Corporation, Pittsburgh, Pa.

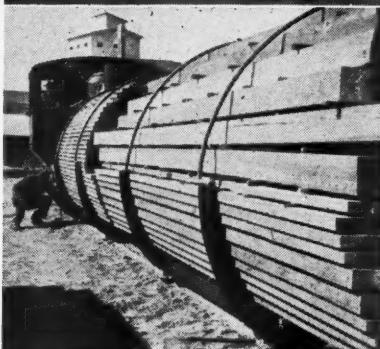
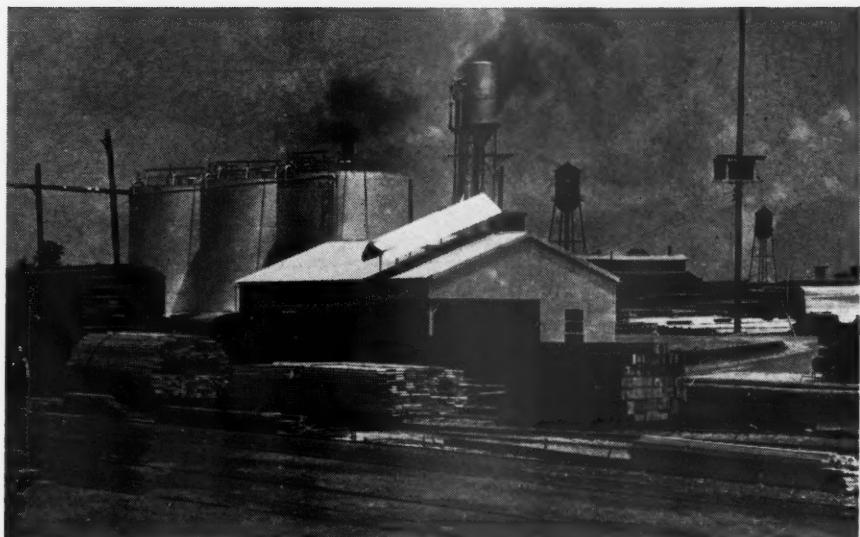
The story of how Carnegie-Illinois has "grown with America" begins with a brief chapter on the history of the corporation, and this is followed by a description of the present methods and techniques used in the making, shaping and treating of steel. The concluding section is devoted to the employees and employee relations.

BOOK

Tools of the Traffic Man, by Edward A. Starr. Revised edition 243 pages. Published by the Transportation Press, P. O. Box 381, Dallas 1, Tex. Price \$3.

This book is, in the main, a description of the material available for use in rate work in connection with all types of common carriers. Authority and power for rate decisions from Interstate Commerce Commission orders and court decisions are included.

It is designed to be a reference text of tariffs and rate principles for either the practical traffic man or the student.



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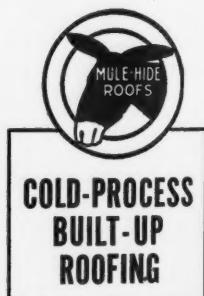
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